

DOWNTOWN DEVELOPMENT AUTHORITY

Lafayette, Louisiana

Financial Report

Year Ended December 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 11 2014

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance of governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund	12
Notes to basic financial statements	13-27
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	29
Schedule of funding progress of OPEB plan	30
 OTHER SUPPLEMENTARY INFORMATION	
Comparative balance sheet - governmental fund	32
Comparative statement of revenues, expenditures, and changes in fund balance of governmental fund	33
 INTERNAL CONTROL AND COMPLIANCE	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35-36
Schedule of Findings and Responses	37

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA
Cheryl L. Bartley, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Jane R. Hebert, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA
Deidre L. Stock, CPA
Karen V. Fortenot, CPA

* A Professional Accounting Corporation

183 South Beadie Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2008

INDEPENDENT AUDITORS' REPORT

Board of Directors
Downtown Development Authority
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Downtown Development Authority, (the Authority) a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 2013, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Downtown Development Authority, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The prior year comparative information on the required supplementary information has been derived from the Authority's 2012 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements.

Management has omitted its discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2014 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 14, 2014

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Statement of Net Position
December 31, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash on hand	\$ 150
Cash and investments held by Lafayette Consolidated Government	711,314
Taxes receivable	133,069
Due from other governmental agencies	298,337
Capital assets:	
Non-depreciable	21,000
Depreciable, net	<u>52,175</u>
 Total assets	 <u>\$1,216,045</u>
LIABILITIES	
Accounts payable	\$ 12,610
Accrued liabilities	6,449
Net OPEB obligation	2,993
Long-term liabilities:	
Portion due or payable within one year	16,650
Portion due or payable after one year	<u>4,678</u>
 Total liabilities	 <u>43,380</u>
NET POSITION	
Invested in capital assets	73,175
Unrestricted	<u>1,099,490</u>
 Total net position	 <u>1,172,665</u>
 Total liabilities and net position	 <u>\$1,216,045</u>

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Statement of Activities
For the Year Ended December 31, 2013

Activities	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position
			Governmental Activities
Governmental activities:			
General government	\$ 15,338	\$ -	\$ (15,338)
Economic development	<u>412,747</u>	<u>26,739</u>	<u>(386,008)</u>
Total governmental activities	<u>\$ 428,085</u>	<u>\$ 26,739</u>	<u>(401,346)</u>
	General revenues:		
	Property taxes		427,728
	Interest and investment earnings		1,081
	Miscellaneous income		<u>13</u>
	Total general revenues		<u>428,822</u>
	Change in net position		27,476
	Net position - January 1, 2013		<u>1,145,189</u>
	Net position - December 31, 2013		<u>\$ 1,172,665</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Balance Sheet - Governmental Fund
December 31, 2013

	<u>General Fund</u>
ASSETS	
Cash on hand	\$ 150
Cash and investments held by Lafayette Consolidated Government	711,314
Taxes receivable	133,069
Due from other governmental agencies	<u>298,337</u>
 Total assets	 <u>\$1,142,870</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 12,610
Accrued liabilities	6,449
Unearned revenue	<u>431,405</u>
 Total liabilities	 <u>450,464</u>
Fund balance:	
Committed for subsequent year's expenditures	361,874
Unassigned	<u>330,532</u>
 Total fund balance	 <u>692,406</u>
 Total liabilities and fund balance	 <u>\$1,142,870</u>

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2013**

Total fund balance for the governmental fund at December 31, 2013		\$ 692,406
Add:		
Capital assets at December 31, 2013	\$ 115,583	
Less: Accumulated depreciation	<u>(42,408)</u>	73,175
Add:		
All of the Authority's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the fund.		431,405
Less:		
Noncurrent liabilities applicable to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and noncurrent are reported in the statement of net position.		
Balances at December 31, 2013 are:		
Other post employment benefits	(2,993)	
Compensated absences	<u>(21,328)</u>	<u>(24,321)</u>
Total net position of governmental activities at December 31, 2013		<u>\$ 1,172,665</u>

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2013

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 385,122
Intergovernmental	26,739
Interest income	1,081
Miscellaneous revenue	<u>13</u>
Total revenues	<u>412,955</u>
Expenditures:	
General government	15,338
Economic development	<u>396,512</u>
Total expenditures	<u>411,850</u>
Net change in fund balance	1,105
Fund balance, beginning	<u>691,301</u>
Fund balance, ending	<u>\$ 692,406</u>

The accompanying notes are an integral part of the basic financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2013

Total net change in fund balance for the year ended December 31, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$	1,105
Add: Revenue in the statement of activities that does not provide current resources	\$	42,604	
Less: Depreciation expense for the year ended December 31, 2013		(3,272)	
Less: Net change in other post employment benefits for the year ended December 31, 2013		(315)	
Less: Net change in accrued compensated absences for the year ended December 31, 2013		<u>(12,646)</u>	<u>26,371</u>
Total change in net position for the year ended December 31, 2013 per Statement of Activities			<u>\$ 27,476</u>

The accompanying notes are an integral part of the basic financial statements.

Downtown Development Authority
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of Downtown Development Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

Downtown Development Authority is a component unit of the Lafayette City-Parish Consolidated Government (Government). The Authority was created by the Louisiana Legislature to implement various plans to aid and encourage both private and public development of the Lafayette Centre Development District. Intergovernmental funding is provided by the Government as per an ordinance adopted on May 5, 1987 which dedicated a portion of the loan repayment proceeds pertaining to an Urban Development Action Grant collected by the Government to the Authority. The Authority also receives ad valorem taxes originally approved by the voters of the District in 1993 and renewed for a period of 15 years in 2008.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents both the gross and net cost of each for each function of the Authority's governmental activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants column reflects capital-specific grants. The Authority has no capital grants in fiscal year 2013.

Fund Financial Statements (FFS)

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

The fund of the Authority is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Authority has only one fund, its General Fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Authority is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Authority and is used to account for the operations of the Authority. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. The Authority considers property taxes as "available" in the year following the assessment when the majority of the taxes are collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and investments held by Lafayette Consolidated Government

For purposes of the statement of net position, cash and investments include all demand accounts, savings accounts, and certificates of deposits of the Authority and those included in the Lafayette Consolidated Government's internal investment pool, as further described in Note 2.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment, furniture and fixtures	5- 10 years

Employee Benefit Policy

Employees of the Authority earn vacation pay in varying amounts ranging from 8 hours per month to 16 hours per month, depending upon length of service. At the end of each year employees may carryforward vacation time earned but not taken with the maximum allowable carryover of unused vacation time being equal to one year's accumulated vacation time. Subject to the above limitation, unused vacation is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation.

All employees are entitled to 12 days sick pay after being employed for three months, and any unused sick leave may be carried forward without limitation. No sick pay is paid upon resignation. Employees separated due to retirement or death are paid for all accumulated sick leave at the hourly rates being earned by that employee at separation.

In the government-wide financial statements, the Authority accrued accumulated unpaid vacation and sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources at December 31, 2013.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in two components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets net of accumulated depreciation.
- b. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested” in capital assets.

The Authority has no restricted net position at December 31, 2013.

In the fund financial statements, governmental fund equity is classified as fund balance. The Authority adopted GASB Statement 54 for the year ended December 31, 2011. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed -- amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Authority.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority’s adopted policy, only the Board may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

In accordance with GASB Statement 54, beginning fund balance for the governmental fund has been restated as of January 1, 2012.

E. Budgets and Budgetary Accounting

The Downtown Development Authority follows the procedures detailed below in adopting its budget:

1. An annual budget, prepared on a basis consistent with generally accepted accounting principles as applied to governmental units, is adopted for the General Fund. The budget is proposed by the Executive Director and adopted by the Board. It is then sent to the Lafayette City-Parish Consolidated Government Council for approval.
2. Any amendments must be approved by the Board and the Lafayette City-Parish Consolidated Government Council. All appropriations lapse at the end of the fiscal year unless carried by Board action.

All budgeted amounts presented reflect the original budget and the final amended budget (which has been adjusted for legally authorized revisions during the year).

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Authority has provided otherwise in its commitment or assignment actions.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

G. Investments

Under State law, the Authority may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in the State of Louisiana. In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments meeting the criteria specified in the Statement are stated at fair value, which is either a quoted market price or the best estimate available. Investments which do not meet the requirements are stated at cost. These investments include overnight repurchase agreements. U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are shown at amortized cost. As discussed more fully in Note 2, the Authority participates in the Lafayette Consolidated Government's internal investment pool.

(2) Cash and Investments

The Authority's cash and investments are included in the Lafayette Consolidated Government's (the Government's) Cash Management Fund, which is pooled with the Government's other investments. Interest earned from the pooled cash management fund is apportioned to each fund based on its average daily cash balance. At December 31, 2013, all of the Authority's cash and investments were being held in this pool with the exception of \$150 of petty cash. For the year ended December 31, 2013, the Authority's portion of unrealized gains and losses in the investment pool were immaterial. A listing of the Authority's investments at December 31, 2013 follows:

Investment pool managed by Lafayette Consolidated Government (maturity of less than one year)	<u>\$ 711,314</u>
--	-------------------

Cash and investments include bank balances and investments that at the balance sheet date were entirely insured or collateralized with securities held by the Authority or by its agent in the Authority's name. Cash balances are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all time equal the amount on the deposit with the fiscal agent. The Authority has no custodial credit risk associated with these deposits.

As a component unit of the Consolidated Government of Lafayette, Louisiana, the Authority follows the Cash Management Rules and Guidelines of the Lafayette City-Parish Consolidated Government. Following are the risks associated with the rules and guidelines:

Interest Rate Risk: As a means of limiting its exposure to fair-value losses arising from rising interest rates, the Authority's investment policy limits the investment portfolio to "money market instruments, which are defined as very creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Credit Risk: The Authority's Investment Policy limits investments to fully insured and/ or fully-collateralized certificates of deposits and direct and indirect obligations of the U.S. government agencies. At December 31, 2013, the Authority's investments in the Federal Home Loans Bank, the Federal Farm Credit Bank, and the Federal Home Loan Mortgage Company (within the Government's investment pool) was rated AAA by Standard and Poor's and AAA by Moody's Investment Service.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied and billed to the taxpayers by the Lafayette Consolidated Government in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Lafayette Parish Tax Assessor and are collected by the Lafayette Parish Sheriff.

For the year ended December 31, 2013, taxes were levied at the rate of 10.91 mills on property with assessed valuations totaling \$40,430,791.

Total taxes levied, exclusive of homestead exemptions, were \$431,405 for 2013. Taxes receivable at December 31, 2013 were \$133,069.

(4) Due from Governmental Agencies

The balance in due from governmental agencies of \$298,337 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2013.

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2013 are as follows:

	Balance <u>1/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2013</u>
Land	\$ 21,000	\$ -	\$ -	\$ 21,000
Buildings	71,547	-	-	71,547
Equipment, furniture and fixtures	<u>23,036</u>	<u>-</u>	<u>-</u>	<u>23,036</u>
Total	115,583	-	-	115,583
Less: Accumulated depreciation	<u>39,136</u>	<u>3,272</u>	<u>-</u>	<u>42,408</u>
Net capital assets	<u>\$ 76,447</u>	<u>\$ (3,272)</u>	<u>\$ -</u>	<u>\$ 73,175</u>

Depreciation expense in the amount of \$3,272 was charged to economic development.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Employee Retirement System

The Authority participates in the Municipal Employees Retirement System (MERS) and Parochial Employees' Retirement System (PERS). These systems are statewide multi-employer, public employee retirement systems which cover all Downtown Development Authority's employees. Authority employees participate in one of the following retirement systems:

A. Municipal Employees' Retirement Systems (MERS)

Plan description: Employees are eligible to retire under Plan A of the System at age 60 with 10 years of creditable service, or at any age with 25 years of creditable service. Monthly benefits consist of 3% of a member's final compensation, multiplied by years of service with certain limitations. The System also provides disability and survivor benefits. All benefits are established by state statute. MERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy: Plan members are required to contribute 9.25% of their annual covered salary and the Authority is required to contribute at an actuarially determined rate. The employer contribution rate was 17.00% through June 30, 2013 and 18.75% beginning July 1, 2013. The contribution requirements of plan members and the Authority are established by statute. The Authority's contributions to MERS for the years ended December 31, 2013, 2012 and 2011 were \$0, \$15,329, and \$21,955, respectively, equal to the required contribution each year. (There were no employees covered by MERS during the year ended December 31, 2013).

B. Parochial Employees' Retirement System (PERS)

Plan description: Members of the plan may retire with 30 years of creditable service regardless of age, with 25 years of service at age 55, and with 10 years of service at age 60. Benefit rates are 1% of final compensation (average monthly earnings during the highest 36 consecutive months, or joined months if service was interrupted) plus \$2.00 per month for each year of service credited prior to January 1, 1980, and 3% of final compensation for each year of service after January 1, 1980. The System also provides disability and survivor benefits. Benefits are established by state statute. PERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898.

Funding policy: Plan members are required to contribute 9.50% of their annual covered salary to the plan and the Authority is required to contribute at an actuarially determined rate. The rate was 15.75% through June 30, 2013 and 16.75% beginning July 1, 2013. The contribution requirements of plan members and the Authority are established by statute. The Authority's contribution to PERS for the years ended December 31, 2013, 2012 and 2011 were \$29,043, \$11,192, and \$6,070 respectively, equal to the required contribution each year.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Long-term Liabilities

During the year ended December 31, 2013, the following changes occurred in the liability reported as long-term obligations.

	<u>Balance</u> <u>1/1/2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 8,682	\$ 19,504	\$ (6,858)	\$ 21,328	\$ 4,678

(8) Post Retirement Health Care Benefits

Plan Description: The Authority's medical benefits are provided through insured programs and are made available to employees upon actual retirement.

For the year ended December 31, 2013, employees were covered by the Parochial Employees Retirement System (PERS), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service.

Contribution Rates: Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy: Until 2008, the Authority recognized the cost of providing post-employment benefits (the Authority's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of post-employment benefits on a pay-as-you-go basis. Effective January 1, 2008, the Authority implemented Government Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding cost. In 2013, the Authority's portion of health care funding cost for retired employees totaled \$0. This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Annual Required Contribution: The Authority's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 01, 2013 is \$363 for post-employment benefits, as set forth below:

Normal Costs	\$ 37
30-year UAL amortization amount	<u>326</u>
Annual required contribution	<u>\$ 363</u>

Net Other Post-employment Benefit Obligation: The table below shows the Authority's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending December 31, 2013:

Annual required contribution	\$ 363
Interest on Net OPEB Obligation	107
ARC adjustment	<u>(155)</u>
Annual OPEB cost	315
Current year retiree premium	<u>-</u>
Change in Net OPEB Obligation	315
Beginning Net OPEB Obligation, beginning of year	<u>2,678</u>
Ending Net OPEB Obligation, end of year	<u>\$ 2,993</u>

The Authority's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset) for 2011, 2012 and 2013 follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	\$ 1,553	0.0%	\$ 7,831
December 31, 2012	\$ 209	2566.0%	\$ 2,678
December 31, 2013	\$ 315	1837.0%	\$ 2,993

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Funded Status and Funding Progress: In the fiscal year ending December 31, 2013, the Authority made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of December 31, 2013, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$5,627, which is defined as that portion, as determined by a particular actuarial cost method (the Authority uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$ 5,627
Actuarial Value of Plan Assets	-
Unfunded Act Accrued Liability (UAAL)	<u>\$ 5,627</u>
Funded Ratio (Act Val. Assets/AAL)	0%
Covered payroll (active plan members)	<u>\$ 175,269</u>
UAAL as a percentage of covered payroll	3.21%

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Authority and its employee plan members) at the time of the valuation and on the pattern of sharing benefit costs between the Authority and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Authority and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method: The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Actuarial Value of Plan Assets: As of the valuation date, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate: An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 13.75%. Based on plan experience, it has also been assumed that 10% of retirees decline health insurance upon retirement because of the required retiree premium.

Post employment Benefit Plan Eligibility Requirements: It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". This consists of three to five years in D.R.O.P. in combination with an additional one to three years delay. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate): GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate: The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate: The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits: The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired. Since "unblended" rates are required by GASB 45 for valuation purposes, we have estimated the unblended retiree rates for pre-Medicare eligibility as being 130% of the blended rates. Coverage is provided for retirees only, not dependents, and ceases after Medicare eligibility.

Post-retirement Benefit Increases: The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Inflation Rate: Included in both the investment return assumption and the healthcare cost trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases: This assumption is not applicable since neither the benefit structure nor the valuation methodologies involve salaries.

(9) Risk Management

The Authority is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(10) Compensation of Board Members

No compensation was paid to Authority Board members during the year ended December 31, 2013.

(11) Litigation

As of December 31, 2013, the Authority is not involved in any litigation.

(12) New Accounting Pronouncements

In June, 2012, the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the Authority for the year ending December 31, 2014 and provisions of GASB Statement No. 68 must be implemented by the Authority for the year ending December 31, 2015. The effect of implementation of these statements on the Authority's financial statements has not yet been determined.

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(13) Subsequent Event and Review

A. Transfer of Property

On January 9, 2014, the Authority transferred land and a building for no (\$0) dollars, having a net book value of \$48,280 as of December 31, 2013, to Sans Souci, LLC, a company whose sole member is Lafayette Public Trust Financing Authority, ("LPTFA"). The act of transfer contains certain restrictive covenants that require LPTFA to maintain the historical structure of the property and use the property for the advancement of Louisiana culture. Failure to comply with the restrictive covenants would result in the ownership of the property reverting back to the Authority. The Authority also receives funding from LPTFA under an intergovernmental agreement.

B. Evaluation Date

The Authority's management has evaluated subsequent events through April 14, 2014, the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund

Year Ended December 31, 2013

With Comparative Actual Amounts for Year Ended December 31, 2012

	2013		Actual	Variance - Favorable (Unfavorable)	2012 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes- ad valorem	\$388,801	\$ 384,000	\$385,122	\$ 1,122	\$346,638
Intergovernmental	60,000	45,013	26,739	(18,274)	84,374
Interest	2,200	1,000	1,081	81	2,270
Miscellaneous revenue	-	-	13	13	297
Total revenues	<u>451,001</u>	<u>430,013</u>	<u>412,955</u>	<u>(17,058)</u>	<u>433,579</u>
Expenditures:					
General government-					
Charges for collection of taxes	<u>13,997</u>	<u>13,730</u>	<u>15,338</u>	<u>(1,608)</u>	<u>13,730</u>
Economic development-					
Operations-					
Personnel costs	259,839	240,030	232,345	7,685	410,884
Supplies and materials	4,000	4,000	3,358	642	1,869
Travel and meetings	5,200	5,200	5,086	114	3,588
Telecommunication	3,000	2,800	2,872	(72)	2,677
Printing and postage	1,200	600	499	101	209
Equipment maintenance	3,500	3,500	3,209	291	2,359
Other insurance premiums	1,500	1,500	1,500	-	1,500
Rent	4,230	3,096	3,096	-	3,096
Supplemental services	97,455	87,000	89,142	(2,142)	91,697
Contractual services	6,200	18,000	17,903	97	1,980
Marketing/ business development	57,000	40,000	9,154	30,846	37,217
Other	<u>3,100</u>	<u>1,804</u>	<u>1,882</u>	<u>(78)</u>	<u>1,672</u>
Total operations	<u>446,224</u>	<u>407,530</u>	<u>370,046</u>	<u>37,484</u>	<u>558,748</u>
Capital project development	<u>314,958</u>	<u>55,000</u>	<u>26,466</u>	<u>28,534</u>	<u>65,921</u>
Total economic development	<u>761,182</u>	<u>462,530</u>	<u>396,512</u>	<u>66,018</u>	<u>624,669</u>
Total expenditures	<u>775,179</u>	<u>476,260</u>	<u>411,850</u>	<u>64,410</u>	<u>638,399</u>
Excess (deficiency) of revenues over expenditures	<u>(324,178)</u>	<u>(46,247)</u>	<u>1,105</u>	<u>47,352</u>	<u>(204,820)</u>
Fund balance, beginning (as restated)	<u>691,301</u>	<u>691,301</u>	<u>691,301</u>	<u>-</u>	<u>896,121</u>
Fund balance, ending	<u>\$367,123</u>	<u>\$ 645,054</u>	<u>\$692,406</u>	<u>\$ 47,352</u>	<u>\$691,301</u>

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Schedule of Funding Progress of OPEB Plan
Year Ended December 31, 2013

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2008	\$ -	\$ 21,834	\$ 21,834	0%	\$178,273	12.25%
January 1, 2010	\$ -	\$ 14,899	\$ 14,899	0%	\$179,860	8.28%
January 1, 2012	\$ -	\$ 5,411	\$ 5,411	0%	\$164,697	3.29%

OTHER SUPPLEMENTARY INFORMATION

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Comparative Balance Sheet - Governmental Fund
December 31, 2013 and 2012

	General Fund	
	2013	2012
ASSETS		
Cash on hand	\$ 150	\$ 150
Cash and investments held by Lafayette Consolidated Government	711,314	889,373
Taxes receivable	133,069	177,893
Other receivable	-	15,000
Due from other governmental agencies	298,337	210,908
Total assets	\$1,142,870	\$1,293,324
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 12,610	\$ 45,736
Accrued salaries and benefits	6,449	167,486
Unearned revenue	431,405	388,801
Total liabilities	450,464	602,023
Fund balance:		
Committed for subsequent year's expenditures	361,874	384,178
Unassigned	330,532	307,123
Total fund balance	692,406	691,301
Total liabilities and fund balance	\$1,142,870	\$1,293,324

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Years Ended December 31, 2013 and 2012

	General Fund	
	2013	2012
Revenues:		
Ad valorem taxes	\$ 385,122	\$ 346,638
Intergovernmental	26,739	84,374
Interest income	1,081	2,270
Miscellaneous revenue	13	297
Total revenues	412,955	433,579
Expenditures:		
General government	15,338	13,730
Economic development-		
Operations	370,046	558,748
Capital project development	26,466	65,921
Total economic development	396,512	624,669
Total expenditures	411,850	638,399
Excess (deficiency) of revenues over expenditures	1,105	(204,820)
Fund balance, beginning (as restated)	691,301	896,121
Fund balance, ending	\$ 692,406	\$ 691,301

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA
Cheryl L. Bartley, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Jane R. Hebert, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA
Deidre L. Stock, CPA
Karen V. Fontenot, CPA

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2008

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Downtown Development Authority
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Downtown Development Authority (the Authority), a component unit of the Lafayette City-Parish Consolidated Government as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 14, 2014

DOWNTOWN DEVELOPMENT AUTHORITY
Lafayette, Louisiana

Schedule of Findings and Responses
For the Year Ended December 31, 2013

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies and no material weaknesses in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

Part II. Findings which are required to be reported in accordance with *Governmental Auditing Standards*:

No matters were reported.