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LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY

Lafayette, Louisiana

Financial Report

Year Ended March 31, 2003

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 10/8/03

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

Allen J. LaBry, CPA
Harry J. Cloetto, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Robert S. Carter, CPA
Daniel W. Alexander, CPA

* A Professional Accounting Corporation

P.O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Lafayette Public Trust Financing Authority
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements of the Lafayette Public Trust Financing Authority, a component unit of the Lafayette City-Parish Consolidated Government, Lafayette, Louisiana, primary government, as of March 31, 2003, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Board of Trustees of the Authority. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Public Trust Financing Authority as of March 31, 2003, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 23, 2003 on our consideration of Lafayette Public Trust Financing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

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

133 East Waddill
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

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

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed under "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Lafayette Public Trust Financing Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements.

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

Lafayette, Louisiana
September 23, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Combined Balance Sheet - All Fund Types
March 31, 2003

	Governmental Fund Type	Proprietary Fund Type	Totals (Memorandum Only)	
	General Fund	Enterprise Fund	2003	2002
ASSETS				
Restricted assets:				
Cash	$ 2,869	$ -	$ 2,869	$ 78,482
Interest-bearing deposits	3,315,000	1,108,838	4,423,838	3,903,300
Investments	423,697	9,344,747	9,768,444	10,096,642
Accrued interest receivable	-	12,982	12,982	18,343
Mortgage loans receivable	838,895	469,452	1,308,347	1,619,231
Accrued interest receivable on loans	9,723	3,495	13,218	14,624
Other receivables	8,971	-	8,971	-
Total restricted assets	4,599,155	10,939,514	15,538,669	15,730,622
Deferred charges:				
Unamortized bond issue costs	-	378,316	378,316	406,507
Total assets	$4,599,155	$11,317,830	$15,916,985	$16,137,129
LIABILITIES AND FUND EQUITY				
Liabilities payable from restricted assets:				
Single family mortgage revenue bonds payable	$ -	$ 2,935,975	$ 2,935,975	$ 3,783,342
Less: Unaccreted discount	-	809,164	809,164	898,217
Net single family mortgage bonds outstanding (secured)	-	2,126,811	2,126,811	2,885,125
Accrued service fees	398	164	562	619
Accounts payable	1,229	-	1,229	690
Accrued interest on bonds	-	12,933	12,933	18,546
Total liabilities payable from restricted assets	1,627	2,139,908	2,141,535	2,904,980
Fund Equity:				
Retained earnings -				
Unreserved	-	9,177,922	9,177,922	8,657,285
Fund balance -				
Unreserved, designated	4,597,528	-	4,597,528	4,574,954
Total fund equity	4,597,528	9,177,922	13,775,450	13,232,239
Total liabilities and fund equity	$4,599,155	$11,317,830	$15,916,985	$16,137,219

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund Type - General Fund
Years Ended March 31, 2003 and 2002

	2003	2002
Revenues:		
Interest on loans	$ 92,304	$ 181,686
Interest on interest-bearing deposits and investments	152,552	184,861
Servicer fee income	-	79,279
Total revenues	244,856	445,826
Expenditures:		
Current -		
General government:		
Legal fees	7,415	15,676
Accounting and auditing	10,220	6,420
Administrative fees - City of Lafayette	-	638
Servicing fees	3,600	4,815
Mortgage insurance	951	3,330
Miscellaneous	96	127
Appropriation - Lafayette Consolidated Government - First Time Home Buyers Program	200,000	302,000
Total expenditures	222,282	333,006
Excess of revenues over expenditures	22,574	112,820
Other financing sources:		
Assignment of mortgage loans from 1990 Bond Issue	-	1,400,159
Operating transfers in	-	48,835
Total other financing sources	-	1,448,994
Excess of revenues and other sources over expenditures	22,574	1,561,814
Fund balance, beginning	4,574,954	3,013,140
Fund balance, ending	$4,597,528	$4,574,954

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings -
Proprietary Fund Type
Enterprise Fund
Years Ended March 31, 2003 and 2002

	2003	2002
Operating revenues:		
Interest on loans	$ 47,599	$ 71,040
Interest on interest-bearing deposits and investments	788,478	841,160
Total operating revenues	836,077	912,200
Operating expenses:		
Interest on bonds	183,562	271,880
Amortization of bond issue cost	28,191	44,079
General and administrative expenses	103,687	150,157
Total operating expenses	315,440	466,116
Operating income	520,637	446,084
Other financing uses:		
Assignment of mortgage loans to general fund	-	(1,400,159)
Operating transfers out	-	(48,835)
Total other financing uses	-	(1,448,994)
Net income (loss)	520,637	(1,002,910)
Retained earnings, beginning	8,657,285	9,660,195
Retained earnings, ending	$9,177,922	$8,657,285

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Cash Flows
Proprietary Fund Type
Enterprise Fund
Years Ended March 31, 2003 and 2002

	2003	2002
Cash flows from operating activities:		
Operating income	$ 520,637	$ 446,084
Adjustments to reconcile operating income to net cash provided by operating activities -		
Amortization of bond issue cost	28,191	44,079
Accretion of discount on investments	(595,522)	(547,259)
Accretion of bond discount	89,053	136,020
Changes in assets and liabilities:		
(Increase) decrease in accrued interest receivable	5,214	(371)
Increase (decrease) in accrued service fees	7	(622)
Decrease in accrued interest on bonds payable	(5,613)	(7,975)
Total adjustments	(478,670)	(376,128)
Net cash provided by operating activities	41,967	69,956
Cash flows from noncapital financing activities:		
Principal collected on mortgage loans	98,030	223,731
Principal paid on revenue bonds	(847,367)	(1,324,827)
Transfer to General Fund	-	(48,835)
Net cash used by noncapital financing activities	(749,337)	(1,149,931)
Cash flows from investing activities:		
Principal collected on mortgage-backed securities	764,049	1,053,417
Net maturities of investments	6,705	4,904
Net cash provided by investing activities	770,754	1,058,321
Net increase (decrease) in cash and cash equivalents	63,384	(21,654)
Cash and cash equivalents, beginning of period	1,045,454	1,067,108
Cash and cash equivalents, end of period	$1,108,838	$1,045,454
Supplemental disclosures of cash flow information:		
Cash paid during the period -		
Interest	$ 189,175	$ 279,855

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Lafayette Public Trust Financing Authority (Authority) is a political subdivision of the state of Louisiana. The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the Lafayette City-Parish Consolidated Government, Lafayette, Louisiana. The Authority was created for the purpose of providing financing for residential facilities to low and moderate income families within the Parish of Lafayette. The Authority's governing body is comprised of a board of five trustees.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Authority includes all funds and activities that are controlled by the Authority as an independent political subdivision of the State of Louisiana. The Authority is a component unit of the Lafayette City-Parish Consolidated Government, the primary government. Although legally separate from the Lafayette City-Parish Consolidated Government, the following factors were considered in deciding that the Authority is a component unit of the Lafayette City-Parish Consolidated Government, Lafayette, Louisiana:

1. The trustees of the Authority shall be appointed by the governing authority of the Lafayette City-Parish Consolidated Government.

2. All proposed by-laws and any amendments thereto need to be approved by the governing authority of the Lafayette City-Parish Consolidated Government.

3. No debt obligations may be issued or moneys borrowed without the prior consent of the governing authority of the Lafayette City-Parish Consolidated Government.

4. No bonds of the Trust shall be delivered without the prior approval of the governing authority of the Lafayette City-Parish Consolidated Government.

This report includes the component unit financial statements of the Lafayette Public Trust Financing Authority, which does not include the oversight unit (Lafayette City-Parish Consolidated Government) financial statements.

B. Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings/fund equity, revenues, and expenses/expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending is to be controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including amortization of bond issue costs) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Interest on interest-bearing deposits and investments is recognized when earned and available.

The proprietary fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and expenses are recognized when they are incurred. All applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 are applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

D. Investments

Statutes authorize the Lafayette Public Trust Financing Authority to invest in certificates of deposit, repurchase agreements, passbook savings accounts, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount of those funds. In addition, the Lafayette Public Trust Financing Authority can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. Investments are stated at cost, increased by the accretion of discounts.

E. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Vacation, Sick Leave and Pension Plan

The Authority had no employees during the year ended March 31, 2003; therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.

G. Amortization

Amortization of bond issue costs is based on the total outstanding bonds divided by the sum of the bonds outstanding as of the beginning of the present year. This method does not materially differ from the interest method required by generally accepted accounting principles.

H. Loans Receivable

Loans are carried at amounts advanced less payments collected. Interest on loans is accrued monthly as earned.

I. Bonds Payable

Bonds payable are stated at maturity value less unaccreted discount.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

L. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Bond Restrictions

A. 1990 Bond Issue

The accounts to be held by the Trustee are the collection account, revenue account, debt service account, redemption account, preservation account and rebate account.

Collection Account -

The collection account will be used to pay for items in the following order: As defined by Section 5.07 of the bond indenture, monies in excess of non-mortgage earnings will be transferred to the rebate account. Monthly bond interest and principal will also be paid. The collection account will also use its funds to supplement the debt service account for any deficiencies in its reserve requirement. If excess monies exist after the payment of the aforementioned, the remainder shall be transferred to the revenue account. The sources of monies for the collection account will be payments of principal on mortgage loans including regularly scheduled principal payments, principal prepayments, and recoveries of principal through foreclosure and insurance settlements.

Revenue Account -

The revenue account will be used to pay for certain expenses on April 1 and October 1 of each year, commencing April 1, 1995. These expenses include trustee's fees, premiums on the special hazard and performance bond insurance policies as well as other program expenses. If a balance exists in excess of $25,000 on October 2 of each year, beginning October 2, 1993, the balance will be transferred to the redemption account. If a deficiency exists in the revenue account, as related to payment of expenses, monies will be transferred from the debt service account.

Debt Service Account -

The debt service account will be used to supplement the collection account and revenue account if monetary deficiencies exist. Any monies in excess of the debt service reserve requirement shall be transferred to the revenue account.

Redemption Account -

The redemption account will be used to pay for the unpaid principal plus accrued interest as related to the redeeming of bonds. Unpaid principal plus accrued interest will be paid from the redemption account provided not less than a single bond is called per redemption.

Preservation Account -

The preservation account is to be used solely for the payment of foreclosure expenses. The source of monies for the preservation account will be reimbursements of foreclosure expenses from insurance settlements.

Rebate Account -

The rebate account is not subject to the pledge of the bond indenture. Annually, a rebate analyst will calculate the excess nonmortgage earnings and transfer those earnings from the Collection Account to the Rebate Account. In accordance with the bond indenture and Section 143 of the Internal Revenue Code, ninety percent of the monies held by the rebate account will be disbursed to the United States of America beginning September 1, 1996 and every five years thereafter.

B. 1991 Bond Issues

The accounts to be held by the Trustee are the collection account, expense account, liquidity reserve account, debt service reserve account, and preservation account.

Collection Account -

The collection account will account for all pledged revenues and amounts transferred from the debt service reserve account and liquidity reserve account. Monies shall be used to pay interest and principal on the bonds and transfer to the expense account an amount equal to one-twelfth of .30 percent per annum of the aggregate principal amount of Series B mortgage loans outstanding per month.

Expense Account -

The expense account will account for all amounts transferred from the collection account to pay miscellaneous program expenses such as trustee fees, insurance premiums, independent accountants fees, etc.

Liquidity Reserve Account -

The liquidity reserve account shall account for investment earnings on amounts deposited from the bond proceeds. Investment earnings shall be transferred to the collection account and in the event that amounts on deposit in the collection account are insufficient to pay the principal or interest due on the bonds, the amount of such insufficiency shall be transferred from the liquidity reserve account.

Debt Service Reserve Account -

The debt service reserve account shall account for interest earned on amounts deposited from the bond proceeds. Interest earned on such amounts shall be retained and in the event that amounts in the collection account, the liquidity reserve account and the expense account are insufficient to pay the principal and interest due on the bonds, the amount of such insufficiency shall be transferred from the debt service reserve account.

Preservation Account -

The preservation account shall account for interest earned on amounts deposited from the bond proceeds and amounts received under the mortgage guaranty insurance policy which represent principal and interest on the relevant mortgage loan. Amounts will be disbursed for liquidation and preservation expenses incurred prior to the acquisition of a property.

(3) Investments

A summary of restricted assets by accounts at March 31, 2003 is as follows:

Accounts	Cash	Interest bearing deposits	Investments	Accrued Interest Receivable
Lafayette City-Parish Consolidated Government	$ 2,869	$3,315,000	$ 423,697	$ -
Liquidity reserve	-	693,461	-	468
Expense	-	151,406	28,121	102
Debt service	-	-	7,348,239	-
Revenue	-	-	-	-
Preservation	-	88,980	-	60
Collection	-	174,991	1,968,387	12,352
Totals	$ 2,869	$4,423,838	$ 9,768,444	$ 12,982

A recap of investments at March 31, 2003 by each bond restricted asset type follows:

Accounts	Cost	Accreted Discount	Carrying Value	Face Amount	Unaccreted Discount
Lafayette City-Parish Consolidated Government	$ 423,697	$ -	$ 423,697	$ 423,697	$ -
Expense account	28,121	-	28,121	102,000	73,879
Debt service account	2,839,586	4,508,653	7,348,239	19,150,000	11,801,761
Collection account	1,968,387	-	1,968,387	1,974,648	6,261
Totals	$5,259,791	$4,508,653	$ 9,768,444	$21,650,345	$11,881,901

The Authority's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are heldby the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the authority's name.

The March 31, 2003, carrying amount of the securities which constitute the investments listed above are summarized as follows:

	Carrying Amount	Category
FNMA - Zero coupon bonds	$ 7,348,239	1
FNMA - Mortgage-backed securities	2,388,345	1
U.S. Government obligations	31,860	1
Total	$ 9,768,444	

Marketable investment securities are carried at cost plus accreted discount.

The carrying value and estimated market values of investments are as follows as of March 31, 2003:

Accounts	Carrying Amount	Gross Unrealized Gains	Estimated Market Value
FNMA - Zero coupon bonds	$ 7,348,239	$ 3,652,479	$ 11,000,718
FNMA - Mortgage backed Securities	2,388,345	124,781	2,513,126
U.S. Government obligations	31,860	62,744	94,604
Totals	$ 9,768,444	$ 3,840,004	$ 13,608,448

(4) Loans Receivable

Loans receivable consists of single-family residential first mortgages. All first mortgages are pledged as security for the payment of principal and interest on the bonds payable. The loans are also covered by a mortgage trust insurance covering loss resulting from a borrower's default up to 80% of the fair market value of all insured mortgage agreements.

All loans are serviced by outside banks and financial institutions, and all payments are remitted to the Authority's trustee at the end of each month. Effective March 2001, payments for the 1990 Bond Issue are being remitted to the Lafayette-City Parish Consolidated Government. The 1990 Bonds were redeemed in March 2001 and the Authority took possession of the 1990 mortgage loans from the trustee in April 2001; therefore, all assets of the 1990 Bond Issue Fund, including the mortgage loans, were transferred to the Authority's General Fund. The 1990 mortgage loans are continuing to be serviced by financial institutions but monthly remittances of principal and interest payments are being monitored by the Authority's attorney and deposited into an account maintained by the Lafayette City-Parish Government on behalf of the Authority as described in Note 12.

(5) Unamortized Bond Issue Costs

Unamortized bond issue cost at March 31, 2002	$ 406,507
Less: Amortization for the year ended March 31, 2003	(28,191)
Total unamortized bond issue costs at March 31, 2003	$ 378,316

(6) Real Estate Owned

The Authority acquires real estate through adjudication (which was foreclosed upon and adjudicated back to the Authority at sheriff's sale) and is carried at the principal outstanding on the loan prior to acquisition by the Authority net of insurance reimbursement. There was no real estate owned at March 31, 2003.

(7) Bonds Payable

Taxable refunding bonds series 1991A, Class A-1, Class A-2 and A-3, in the aggregate principal of $16,500,000. The Class A-1 and A-2 bonds bear interest at 7.5 percent per annum. Interest on the Class A-1 and A-2 bonds are payable monthly on the first calendar day of each month, interest accruing from the first day of the month through and including the last day of the month for the second month prior to each interest payment date. The Class A-3 bonds accrue interest at 9.25 percent beginning on the date of issuance until the date of maturity, which is July 10, 2014. Principal payments on the Class A-1 bonds will be made on each interest payment date from funds remaining in the collection account after payment of interest on the Class A-1 and A-2 bonds. Principal payments will be applied first to pay principal on the Class A-1 bonds until all Class A-1 bonds have been paid in full before such funds are applied to pay the principal of the remaining classes of bonds. The maturity amount of the Class A-3 bonds will be payable on July 10, 2014.

Taxable refunding bonds series 1991B, Class B-1 and Class B-2, in the aggregate principal of $4,735,000. The Class B-1 bonds bear interest at 7.375 percent per annum. Interest on the Class B-1 bonds are payable monthly on the first calendar day of each month, interest accruing from the first day of the month through and including the last day of the month for the second month prior to each interest payment date. Principal payments on the Class B-1 bonds will be made on each interest payment date, only from funds available after payment of interest on such bonds and the transfer to the expense account of one-twelfth of .30 percent of the aggregate principal amount of bonds outstanding per month. The payment of the Class B-2 maturity amount, which includes interest bearing 9.5 percent and principal, will be payable on July 10, 2014.

The following is a summary of bond transactions of the Lafayette Public Trust Financing Authority for the year ended March 31, 2003:

Net Bonds payable, beginning of year	$2,885,125
Add: Discount accreted	89,053
Less: Bonds retired	(847,367)
Net Bonds payable, end of year	$2,126,811

Principal outstanding on all bonds as of March 31, 2003 are as follows:

1991 Bond Issue:	
Class A-2	$2,035,975
Class A-3	500,000
Class B-1	-
Class B-2	400,000
	$2,935,975

Based upon the terms of the bond debentures, the 1991 bond issues have no stated maturity schedules, therefore the sinking fund requirements for all long-term borrowings for each of the five years following the balance sheet date and to maturity as required by the Financial Accounting Standards Board's (FASB) Statement 47 cannot be disclosed.

(8) Litigation

There was no litigation pending against the Authority as of March 31, 2003.

(9) Compensation of Board of Trustees

The Board of Trustees of the Authority receives no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

(10) Redeemed Bonds

The single-family mortgage revenue refunding bonds 1990 Series A, dated September 1, 1990, with original principal of $10,500,000 bearing interest at 8.5 percent per annum, were redeemed by the Authority in March 2001.

(11) Prior Years' Debt Defeasance

In prior years, the Lafayette Public Trust Financing Authority has defeased various bond issues by creating irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U. S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of March 31, 2003, the amount of defeased debt outstanding but removed from the financial statements amounted to $32,085,000.

(12) Intergovernmental Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the Lafayette City-Parish Consolidated Government, beneficiary of Lafayette Public Trust Financing Authority, whereas the Authority will transfer monies to the City and the City shall maintain said monies for the benefit of the Authority. Unless directed otherwise, the City shall invest all funds in such a manner to maximize income from such funds that can safely be earned within the confines of law. The City shall disburse funds only upon directions of the Authority as evidenced by requisitions signed by the Authority's chairman. All requisitions in excess of five thousand dollars must be executed by both the chairman and secretary-treasurer of the Authority. The Authority shall reimburse the City annually an amount to be determined by the City's cost allocation plan for such services. As of March 31, 2003, the City is managing interest-bearing deposits and investments totaling $3,738,697, which is reflected in the financial statements of the Authority.

(13) Cooperative Endeavor Agreement

On January 31, 1996, the Lafayette Public Trust Financing Authority and the Louisiana Housing Finance Agency (LHFA) entered into a Cooperative Endeavor Agreement. The agreement acknowledges the Authority's initial investment of $280,000 associated with the issuance of the 1995 bond issue and states that certain assets transferred to the trustee for the 1997A bond issue from the trustee of the 1995 bond issue will be used in such a manner to permit mortgage loans to be financed within the jurisdiction of the Authority and to finance the recovery of the Authority's initial investment. The recovery of such initial investment by the Authority, however, is contingent upon the fact that the LHFA does not incur any costs that are not recoverable from the previously mentioned transferred assets. During 2002, the Authority received notification that LHFA had fulfilled its commitment to the Authority in accordance with the Cooperative Endeavor Agreement. The Authority recovered $185,888 of its initial investment of $280,000. During the fiscal year ended March 31, 2002, the Authority received $79,279 and $106,609 was received in prior years.

The amount received by the Authority was less than originally anticipated because the dollar amount of mortgage loans financed within the jurisdiction of the Authority did not reach the levels initially expected.

(14) Joint Cooperative Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the Lafayette City-Parish Consolidated Government, whereas the Authority initially agreed to provide funds totaling $250,000 on an "as requested" basis for the purpose of establishing and implementing a low interest revolving loan program to assist first time homebuyers in the Parish of Lafayette. Eligible participants may receive up to $5,000, to be repaid at an interest rate of five percent (5%) per year for a loan term not to exceed fifteen (15) years. The funds may be used only for the purposes of offsetting closing costs and/or as a down payment.

This agreement commenced on February 5, 1998 and ended on December 31, 1998. The agreement automatically renews on a calendar year basis for successive terms of one year unless either party provides written notice of its intent to terminate. In the event of termination, LafayetteCity-Parish Consolidated Government is obligated to distribute any funds collected as repayments from borrowers and/or remaining and available in program accounts to the Authority.

The Authority has approved additional funding and has funded this program in the amount of $1,656,000 as of March 31, 2003. Of this amount, $200,000 was funded during the fiscal year ended March 31, 2003 and $1,456,000 was funded in prior years.

(15) Conduit Debt Obligations

On October 1, 2002, the Authority issued Revenue Bonds in the amount of $19,065,000 to provide financial assistance to Ragin'Cajun Facilities, Inc., a Louisiana nonprofit corporation, for the development, design construction and equipping of a student apartment complex, food service facility and child care facility, including parking and other infrastructure at the University of Louisiana at Lafayette.

On October 1, 2002, the Authority also issued Revenue Bonds in the amount of$17,840,000 to provide financial assistance to SLCC Facilities Corporation, a Louisiana nonprofit corporation, for the development, design, construction and equipping of a new college campus for students, faculty and staff of the South Louisiana Community College.

Revenues from the facilities constructed are pledged for the total payment of principal and interest. Bondholders can only look to these sources for repayment. Upon repayment of the bonds, ownership of the constructed facilities transfers to the respective corporations served by the bond issuance. These bonds are not direct or contingent liabilities of the Authority. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of March 31, 2003, there were two series of revenue bonds outstanding. The principal amount outstanding for these issues was $36,905,000. The original issue amount of the bonds was $36,905,000.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Combining Balance Sheet - Enterprise Fund
March 31, 2003 and 2002

	1990 Bond Issue		1991 Bond Issues		Totals	
	2003	2002	2003	2002	2003	2002
ASSETS						
Restricted assets:						
Interest bearing deposits	$ -	$ -	$ 1,108,838	$ 1,045,454	$ 1,108,838	$ 1,045,454
Investments	-	-	9,344,747	9,519,979	9,344,747	9,519,979
Accrued interest receivable	-	-	12,982	18,343	12,982	18,343
Mortgage loans receivable	-	-	469,452	567,482	469,452	567,482
Accrued interest receivable on loans	-	-	3,495	3,348	3,495	3,348
Total restricted assets	-	-	10,939,514	11,154,606	10,939,514	11,154,606
Deferred charges:						
Unamortized bond issue costs	-	-	378,316	406,507	378,316	406,507
Total assets	$ -	$ -	$11,317,830	$11,561,113	$11,317,830	$11,561,113
LIABILITIES AND FUND EQUITY						
Liabilities payable from restricted assets:						
Single family mortgage revenue bonds payable	$ -	$ -	$ 2,935,975	$ 3,783,342	$ 2,935,975	$ 3,783,342
Less: Unaccreted discount	-	-	809,164	898,217	809,164	898,217
Net single family mortgage bonds outstanding (secured)	-	-	2,126,811	2,885,125	2,126,811	2,885,125
Accrued services fees	-	-	164	157	164	157
Accrued interest on bonds	-	-	12,933	18,546	12,933	18,546
Total liabilities payable from restricted assets	-	-	2,139,908	2,903,828	2,139,908	2,903,828
Fund equity:						
Retained earnings - Unreserved	-	-	9,177,922	8,657,285	9,177,922	8,657,285
Total liabilities and fund equity	$ -	$ -	$11,317,830	$11,561,113	$11,317,830	$11,561,113

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
Enterprise Fund
Years Ended March 31, 2003 and 2002

	1990 Bond Issue		1991 Bond Issues		Totals	
	2003	2002	2003	2002	2001	2000
Operating revenues:						
Interest on loans	$ -	$ -	$ 47,599	$ 71,040	$ 47,599	$ 71,040
Interest on interest-bearing deposits and investments	-	-	788,478	841,160	788,478	841,160
Total operating revenues	-	-	836,077	912,200	836,077	912,200
Operating expenses:						
Interest on bonds	-	-	183,562	271,880	183,562	271,880
Amortization of bond issue cost	-	-	28,191	44,079	28,191	44,079
General and administrative expenses	-	-	103,687	150,157	103,687	150,157
Total operating expenses	-	-	315,440	466,116	315,440	466,116
Operating income	-	-	520,637	446,084	520,637	446,084
Other financing uses:						
Assignment of mortgage loans to general fund	-	(1,400,159)	-	-	-	(1,400,159)
Operating transfers out	-	(48,835)	-	-	-	(48,835)
Total other financing uses	-	(1,448,994)	-	-	-	(1,448,994)
Net income (loss)	-	(1,448,994)	520,637	446,084	520,637	(1,002,910)
Retained earnings, beginning	-	1,448,994	8,657,285	8,211,201	8,657,285	9,660,195
Retained earnings, ending	$ -	$ -	$9,177,922	$8,657,285	$9,177,922	$8,657,285

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana
Enterprise Fund

Schedule of General and Administrative Expenses
Year Ended March 31, 2003
With Comparative Totals for March 31, 2002

	Bond Issues		Totals	
	1990	1991	2003	2002
Accretion of bond discount	$ -	$ 89,053	$ 89,053	$136,020
Mortgage insurance	-	911	911	1,175
Accounting and auditing	-	4,285	4,285	4,490
Legal fees	-	-	-	-
Servicing fees	-	2,438	2,438	1,472
Trustee fees	-	7,000	7,000	7,000
Total	$ -	$103,687	$103,687	$150,157

COMPLIANCE

AND

INTERNAL CONTROL

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

Allen J. Lafleur, CPA
Harry J. Cloatio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachel, CPA
Cheryl L. Bartley, CPA, CVA
Robert S. Carter, CPA
Daniel W. Alexander, CPA

* A Professional Accounting Corporation

P.O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
Lafayette Public Trust Financing Authority
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Public Trust Financing Authority, a component unit of the Lafayette City-Parish Consolidated Government, Lafayette, Louisiana, primary government, for the year ended March 31, 2003, and have issued our report thereon dated September 23, 2003. We conducted our audit in accordance with generally accepted 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.

Compliance

As part of obtaining reasonable assurance about whether the Lafayette Public Trust Financing Authority's general purpose 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 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafayette Public Trust Financing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

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

133 East Waddill
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

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

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

This report is intended for the information of the Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

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

Lafayette, Louisiana
September 23, 2003

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended March 31, 2003

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date

CURRENT YEAR (3/31/03) --

There were no findings for the year ended March 31, 2003.

PRIOR YEAR (3/31/02) --

There were no findings for the year ended March 31, 2002.