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LAFAYETTE PUBLIC POWER AUTHORITY

A COMPONENT UNIT OF THE LAFAYETTE
CITY-PARISH CONSOLIDATED GOVERNMENT

FINANCIAL REPORT

YEARS ENDED OCTOBER 31, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Lafayette Public Power Authority
Lafayette, Louisiana

We have audited the accompanying basic financial statements of the Lafayette Public Power Authority, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the Lafayette Public Power Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended October 31, 2009, which are presented for comparative purposes, were audited by other accountants and they expressed an unqualified opinion on them in their report dated March 15, 2010.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Public Power Authority, as of October 31, 2010, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2011, on our consideration of the Lafayette Public Power 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Lafayette Public Power Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the supplementary information has been derived from the Lafayette Public Power Authority's 2009 financial statements, which were prepared by other accountants. The information was subjected to the auditing procedures applied in the audit of the basic financial statement and, in their opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

Lafayette, Louisiana
March 15, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Management's Discussion and Analysis
October 31, 2010

Our discussion and analysis of the Lafayette Public Power Authority's (LPPA) financial performance provides an overview of LPPA's financial activities for the fiscal year ended October 31, 2010. It is designed to focus on the current year's activities, resulting changes, and currently known facts. Please read it in conjunction with LPPA's basic financial statements, which follow this section.

LPPA, a component unit of the Lafayette City-Parish Consolidated Government (LCG), constitutes a legal entity separate and apart from LCG and was created for the purpose of generating, purchasing and selling electric power to, or exchanging electric power with, the City of Lafayette Utilities System (LUS) and others.

FINANCIAL HIGHLIGHTS

- Assets of LPPA exceeded its liabilities at the close of the most recent fiscal year by $51.3 million (net assets). Unrestricted fund net assets amount to $29.2 million and may be used to meet ongoing operations and obligations.
- Investment in the Capital Assets of LPPA at the end of the year totaled $44.5 million.
- Long-term debt outstanding decreased as a result of the scheduled payment of bond principal.

USING THIS ANNUAL REPORT

This report consists of Management's Discussion and Analysis (MD&A), the basic financial statements, and notes to the financial statements. MD&A provides a narrative of LPPA's financial performance and activities for the year ended October 31, 2010. The basic financial statements provide readers with information about LPPA's activities and financial position, in a manner similar to private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- The Statement of Net Assets presents information on all of LPPA's assets and liabilities, with the difference between the two reported as net assets. Evaluating the changes (increases and decreases) in net assets over time may serve as a useful indicator of whether the financial position of LPPA is declining or improving.
- The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information on how LPPA's net assets changed during the most recent fiscal year. The statement uses the accrual basis of accounting, similar to that used by private-sector businesses. All revenues and expenses are reported regardless of the timing of when cash is received or paid.
- The Statement of Cash Flows presents information showing how LPPA's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

FINANCIAL ANALYSIS OF LPPA AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of financial position. Assets of LPPA exceeded its liabilities at the close of the fiscal year by $51.3 million (net assets). The total net assets at October 31, 2010 note a significant increase when compared to the prior year, increasing $6.3 million or 14% which is due to net effect changes in total assets and total liabilities. Current assets decreased $3.2 million or 11% due to a $2.8 million decrease in inventory, and a $0.4 million decrease in cash and investments, with no significant change in the restricted assets. Net capital assets decreased $5.6 million or 11% predominately due to the retirement of plant assets. Current liabilities decreased $3.3 million (net) attributable to a $3.6 million decrease in accounts payable. Long-term liabilities decreased $12 million or 19% as a result of scheduled debt service payments.

LPPA has a power sales contract with the City of Lafayette Utilities System (LUS) by which LPPA has sold and the City has purchased all of LPPA's electrical generating capacity of the Rodemacher Unit No. 2. In accordance with the terms and conditions of the power sales contract, the City of Lafayette Utilities System is obligated to pay LPPA's monthly power costs, which include operational costs, debt service requirements, and any other deposit requirements of LPPA's bond ordinance. However, since revenues are recognized based upon billings on a cash basis, revenues and expenses for accounting purposes may not match.

Total revenues for 2010 decreased $1.6 million or 2% when compared to 2009, attributable to a $1.2 million decrease in power sales. No change occurred in total expenses for 2010 when compared to the 2009 total expenses of $58.6 million. The revenues and expenses are illustrated in Table 2.

The largest expense of LPPA is that of Fuel Cost, which represents 72% of current year expenses. Fuel Cost is the cost of coal burned in the generation of electricity, and includes transportation and other costs. In 2010, the average cost per ton was $47.19 which was $2.47 less than the previous year's $49.66 average cost per ton.

The amount of coal burned for the year was 889,967 tons, which were 53,144 more tons than burned in 2009. LPPA's coal inventory at fiscal year-end was $13,859,432 representing 299,426 tons.

The following Table 1 reflects the comparative condensed Statement of Net Assets for 2010 and 2009.

TABLE 1
Condensed Statement of Net Assets
October 31, 2010 and 2009

	2010	2009	Increase (Decrease) Amount	Percent
Assets:				
Current assets	$ 26,374,777	$ 29,548,192	$ (3,173,415)	-10.74%
Restricted assets	46,860,175	46,742,463	117,712	0.25%
Capital assets (net of depreciation)	44,460,244	50,055,220	(5,594,976)	-11.18%
Other assets	875,813	962,060	(86,247)	-8.96%
Total assets	118,571,009	127,307,935	(8,736,926)	-6.86%
Liabilities:				
Current liabilities	1,719,265	5,053,079	(3,333,814)	-65.98%
Other current liabilities	13,898,508	13,544,018	354,490	2.62%
Long-term debt outstanding	51,669,692	63,700,707	(12,031,015)	-18.89%
Total liabilities	67,287,465	82,297,804	(15,010,339)	-18.24%
Net assets:				
Invested in capital assets, net of related debt	1,386,857	(4,738,085)	6,124,942	129.27%
Restricted for debt service	20,713,017	20,753,103	(40,086)	-0.19%
Unrestricted	29,183,670	28,995,113	188,557	0.65%
Total net assets	$ 51,283,544	$ 45,010,131	$ 6,273,413	13.94%

The following Table 2 below provides a summary of revenues and expenses for the years ended October 31,

TABLE 2
Revenues and Expenses by Category
For the Years Ended October 31, 2010 and 2009

	2010		2009	
Revenue Category:	Amount	% of Total	Amount	% of Total
Energy sales				
Non-operating revenues	$ 64,653,777	99.57%	$ 65,840,205	99.02%
Total revenues	276,645	0.43%	654,263	0.98%
	$ 64,930,422	100.00%	$ 66,494,468	100.00%
Expense Category:				
Fuel (coal and gas)				
Production (O&M)	$ 42,364,565	72.22%	$ 41,382,603	70.63%
Administrative and general	6,539,853	11.15%	7,628,407	13.02%
Depreciation	2,239,278	3.82%	2,473,890	4.22%
Other non-operating expenses	3,855,656	6.57%	3,621,611	6.18%
Total expenses	3,657,657	6.24%	3,481,956	5.94%
	$ 58,657,009	100.00%	$ 58,588,467	100.00%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Lafayette Public Power Authority's largest capital asset is its 50% ownership interest in the Rodemacher Unit No. 2 located in Boyce, Louisiana. The remaining ownership interest in the Rodemacher Unit No. 2 is shared by CLECO (30%) and LEPA (20%). At the end of 2010, LPPA had $44.5 million (net of depreciation) invested in capital assets, and the electric plant represents 89% of the gross capital assets. Other assets include vehicles, coal cars, land, and construction in progress.

Long-Term Debt

At October 31, 2010, LPPA had total bonded debt outstanding of: $3,600,000 of (2002 series) Electric Revenue Refunding Serial bonds, $27,410,000 of (2003 series) Electric Revenue Refunding Serial Bonds, and $33,105,000 of (2007 series) Electric Revenue Serial Bonds.

As of October 31, 2010, the LPPA Revenue Bonds are rated as follows:

	Moody's Investors Service	Standard & Poor's
Insured Ratings	Aaa	AAA
Underlying Ratings	A1	A

Detailed information on LPPA's long-term debt can be found in Note 4 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Fiscal Year 2011 Budget includes a $2.2 million decrease in billed revenue to the City of Lafayette; which is a result of a $3.1 million decrease in fuel expense, a $.3 million increase in operations and maintenance expense, and a $.6 million increase in capital expenditures as compared to the fiscal year 2010 budget. These fuel decreases and operations/capital increases are due to an extended spring outage of the Rodemacher Unit No. 2 occurring in March 2011. Since the City of Lafayette Utilities System (LUS) is LPPA's major customer and they share the same governing authority, their budget preparation processes run parallel to one another. The LUS projected revenues and generation needs are major factors in the consideration of LPPA's budget. Economic projections for LUS's electric kWh sales are conservative and based on historical growth trends. For the LUS 2011 budget, electric retail kWh sales are projected to increase by 3.56% over fiscal year 2010 budgeted sales and electric wholesale kWh sales are projected at a minimum for spot sales. The average retail electric rate per kWh is projected to increase from fiscal year 2010 actual of $.0814 to $.0920, reflecting a larger dollar per kwh difference due to the delay in the implementation of a base rate increase in FY 2010, a stabilization in fuel costs and a full fiscal year of an increase in base rates for FY 2011. Other economic indicators of the City of Lafayette (including LUS and therefore LPPA) are also considered, such as sales tax growth, unemployment rates, and residential and commercial permits. Economic factors considered were positive, but conservative estimates were included for budget purposes. LPPA sales projections are based upon economic dispatch of all LPPA/LUS facilities with consideration of reliability, unit maintenance, transmission constraints, and directives by the regional load regulators. For 2011, LPPA kWh generation represents 70% of LUS's kWh requirements.

CONTACTING THE LAFAYETTE PUBLIC POWER AUTHORITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Lafayette Public Power Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, Lafayette Public Power Authority, P.O. Box 4017-C, Lafayette, Louisiana 70502.

BASIC FINANCIAL STATEMENTS

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Statements of Assets
October 31, 2010 and 2009

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	$ 172,903	$ 583,540
Investments	10,300,000	10,300,000
Accounts receivable	26,177	8,566
Inventory	15,875,697	18,656,086
Total current assets	26,374,777	29,548,192
NONCURRENT ASSETS		
Restricted assets:		
Cash with paying agent	13,898,508	13,544,018
Cash:		
Bond reserve	30,800	38,453
Reserve and contingency	63,741	63,741
Investments (at fair value):		
Construction bonds	7,748,650	7,945,342
Bond reserve	15,469,389	15,395,843
Reserve and contingency	5,100,000	5,100,000
Fuel cost stability	4,500,000	4,500,000
Accrued interest receivable:		
Bond reserve	49,087	155,066
Total restricted assets	46,860,175	46,742,463
DEFERRED CHARGES		
Preliminary survey	28,158	-
Unamortized debt expense	847,655	962,060
Total deferred charges	875,813	962,060
PROPERTY, PLANT, AND EQUIPMENT		
Land	201,964	201,964
Construction in progress	864,113	10,312,141
Plant in service	140,885,139	134,736,766
Vehicles and coal cars	16,767,033	16,767,033
Total	158,718,249	162,017,904
Less: accumulated depreciation	(114,258,005)	(111,962,684)
Net property, plant, and equipment	44,460,244	50,055,220
Total noncurrent assets	92,196,232	97,759,743
Total assets	$ 118,571,009	$ 127,307,935

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

	2010	2009
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 133,160	$ 3,748,460
Due to primary government	3,058	4,345
Due to Lafayette Utilities System	1,583,047	1,300,274
Total	1,719,265	5,053,079
CURRENT LIABILITIES (payable from restricted assets)		
Revenue bonds payable	12,365,000	11,730,000
Accrued interest payable	1,533,508	1,814,018
Total	13,898,508	13,544,018
Total current liabilities	15,617,773	18,597,097
NONCURRENT LIABILITIES		
Revenue bonds payable	51,750,000	64,115,000
Add: unamortized premium	1,818,003	2,588,826
Less: unamortized loss on bond refunding	(1,898,311)	(3,003,119)
Total noncurrent liabilities	51,669,692	63,700,707
Total liabilities	67,287,465	82,297,804
NET ASSETS		
Invested in capital assets, net of related debt	1,386,857	(4,738,085)
Restricted for debt service:	20,713,017	20,753,103
Unrestricted	29,183,670	28,995,113
Total net assets	51,283,544	45,010,131
Total liabilities and net assets	$ 118,571,009	$ 127,307,935

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Statements of Revenues, Expenses, and Changes in Fund Net Assets
For the Years Ended October 31, 2010 and 2009

	2010	2009
Operating revenues:		
Charges for services	$ 64,653,777	$ 65,840,205
Operating expenses:		
Production	48,713,236	48,817,138
Transmission	191,182	193,872
Administration and general	2,239,278	2,473,890
Depreciation and amortization	3,855,656	3,621,611
Total operating expenses	54,999,352	55,106,511
Operating income	9,654,425	10,733,694
Nonoperating revenues (expenses):		
Interest income	271,413	644,199
Interest expense	(1,371,584)	(1,872,341)
Amortization of debt expense	(114,403)	(114,403)
Amortization of loss on reacquired debt	(1,104,808)	(1,048,358)
Net loss on disposition of capital assets	(1,001,548)	(362,223)
Loss on investments	(55,036)	(84,631)
Gain on disposition of allowance	5,232	10,064
Penalties	(10,278)	-
Total nonoperating revenues (expenses)	(3,381,012)	(2,827,693)
Change in net assets	6,273,413	7,906,001
Net assets, beginning	45,010,131	37,104,130
Net assets, ending	$ 51,283,544	$ 45,010,131

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

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Statements of Cash Flows
For the Years Ended October 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 64,912,391	$ 65,921,415
Payments to suppliers for goods and services	(48,870,367)	(49,128,079)
Payments to employees and for employee related costs	(402,499)	(297,484)
Net cash provided by operating activities	15,639,525	16,495,852
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on bonds	(11,730,000)	(11,100,000)
Interest paid	(3,347,526)	(3,892,752)
Purchase of survey	(28,158)	-
Proceeds from redesignation of capital assets	222,670	-
Purchase and construction of capital assets	(1,260,767)	(6,964,502)
Net cash used by capital and related financing activities	(16,143,781)	(21,957,254)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales (purchases) of investments - net	(150,000)	20,357,480
Interest earnings	398,810	704,973
Other	(5,046)	10,064
Net cash provided by investing activities	243,764	21,072,517
Net increase (decrease) in cash and cash equivalents	(260,492)	15,611,115
Cash and cash equivalents, beginning of the year	42,075,094	26,463,979
Cash and cash equivalents, end of the year	$ 41,814,602	$ 42,075,094

(continued)

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Statements of Cash Flows (Continued)
For the Years Ended October 31, 2010 and 2009

	2010	2009
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 9,654,425	$ 10,733,694
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,855,656	3,621,611
Debt service on coal cars in inventory	2,285,358	2,284,100
Change in assets and liabilities:		
Accounts receivable	(17,611)	3,153
Inventory	2,780,389	(2,350,429)
Accounts payable	(3,200,178)	2,172,841
Due to other governments	281,486	30,882
Net cash provided by operating activities	$ 15,639,525	$ 16,495,852
Noncash investing, capital and financing activities:		
Capital assets contributed	$ 59,356	$ -
Decrease in fair value of investments	$ (55,036)	$ (84,631)
Net loss on disposal of capital assets	$ 1,001,548	$ 362,223
Cash and cash equivalents, beginning of period		
Cash - unrestricted	$ 583,540	$ 1,072,357
Investments - unrestricted	10,300,000	7,900,000
Cash - restricted	13,646,212	13,289,149
Investments - restricted	17,545,342	4,202,473
Total	42,075,094	26,463,979
Cash and cash equivalents, end of period		
Cash - unrestricted	172,903	583,540
Investments - unrestricted	10,300,000	10,300,000
Cash - restricted	13,993,049	13,646,212
Investments - restricted	17,348,650	17,545,342
Total	41,814,602	42,075,094
Net increase (decrease)	$ (260,492)	$ 15,611,115

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

The Lafayette Public Power Authority (Authority) is a political subdivision of the State of Louisiana created for the purpose of planning, financing, constructing, acquiring, improving, operating, maintaining and managing public power projects or improvements solely or jointly with other public or private corporations and for the purpose of providing electric power for the City of Lafayette and others. The Authority constitutes a legal entity separate and apart from the Lafayette City-Parish Consolidated Government (Lafayette Consolidated Government). The Lafayette City-Parish Council is the governing authority, its Chief Executive Officer is the President of the Lafayette Consolidated Government, its Managing Director is the Director of Lafayette Utilities System (LUS), and its Secretary is the Lafayette Consolidated Government's Clerk.

The Authority, Central Louisiana Electric Company, Inc. (CLECO) and Louisiana Energy and Power Authority (LEPA) are parties to agreements governing the ownership and operation of the electric generating and transmission facilities. CLECO manages the construction and operation of the fossil fuel steam electric generating plant known as Rodemacher Unit No. 2. The project is owned jointly by the Authority (50%), CLECO (30%) and LEPA (20%). The financial information contained in these statements is only that of the Authority.

The Authority entered into a power sales contract with the City of Lafayette on May 1, 1977. The City agreed to purchase and the Authority agreed to sell the "project capability," which is the amount of electric power and energy, if any, which the project is capable of generating, with certain limitations. The project is defined as the Authority's fifty percent (50%) ownership interest in the fossil fuel steam electric generating plant.

The Authority, reported in these statements as a proprietary fund, prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB). GASB Statement No. 14 has defined the governmental reporting entity to be the Lafayette Consolidated Government. The accompanying statements present only transactions of the Authority, a component unit of the Lafayette Consolidated Government.

The Lafayette Consolidated Government issues basic financial statements annually, which includes presentation of the activities contained in the accompanying financial statements.

B. Basis of Accounting

The accounts of the Authority are maintained substantially in accordance with the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and are in conformity with generally accepted accounting principles (GAAP). Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide. In certain instances, FERC regulations differed from generally accepted accounting principles. In those situations, the Authority followed the FERC guidance, as directed by law. However, amounts reported, according to FERC regulations, did not differ materially from GAAP.

The Authority maintains its books and records on the full accrual basis of accounting and on the flow of economic resources measurement focus. The Authority applies all applicable professional standards in accounting and reporting for its proprietary operations.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

On November 1, 2001, the Authority adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements - and Management's Discussion and Analysis-for State and Local Governments." Statement 34 established standards for external reporting for all state and local governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows. It requires the classification of fund net assets into three components -invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

(1) Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

(2) Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

(3) Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt.

The adoption of Statement No. 34 had no effect on the basic financial statements except for the classification of net assets in accordance with the Statement and the reflection of capital contributions as a change in net assets.

C. Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost and include direct and overhead costs and the costs of funds borrowed by the Authority and used for construction purposes.

Depreciation of property, plant, and equipment is computed using the straight-line method over the expected service lives of the assets as follows:

	Years
Vehicles	8
Coal cars	27
General plant	40
Production plant	31
Other	15

D. 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.

E. Inventory

Coal inventory is stated at the lower of cost or market as determined by the average cost method. Coal inventory amounted to $13,859,432 representing 299,426 tons at October 31, 2010 and $16,756,551 representing 335,868 tons at October 31, 2009.

The spare parts and supplies inventory is stated at the lower of cost or market as determined by the average cost method and amounted to $2,016,265 and $1,899,535 at October 31, 2010 and 2009, respectively.

F. Unamortized Debt Expense

Debt expense incurred at bond issuance is capitalized and amortized over the life of the bonds using the sum of the bonds outstanding method.

G. Unamortized Loss on Bond Refunding

Losses incurred upon refunding of debt are treated as deferred charges and amortized over the life of the new bonds issued.

H. Electric Revenue Bonds

Bonds outstanding are reported net of unamortized premium and unamortized loss on reacquired debt. The premium is amortized over the life of the bonds using the sum of the bonds outstanding method.

I. Salaries and Related Expenses

The Authority reimburses the Lafayette Consolidated Government for salaries, benefits and related expenses of employees who perform duties for the Authority. The Authority is not liable and, therefore, does not accrue vacation and sick-time benefits.

J. Cash Flows

For purposes of the Statements of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

K. 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 expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The Authority has no custodial credit risk associated with these deposits.

During the years ended October 31, 2010 and 2009, the Authority realized no gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The decrease in the fair value of investments during the years ended October 31, 2010 and 2009 was $55,036 and $84,631, respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain (loss) on investments held at October 31, 2010 and 2009 was $18,876 and $73,911, respectively.

As of October 31, 2010, the Authority had the following investments and maturities:

		Investment Maturities		
Investment Type	% of Portfolio	Fair Value	Less Than One Year	One - Five Years
Repurchase agreements	64%	$ 27,648,650	$ 27,648,650	$ -
U.S. Instrumentalities	36%	15,469,389	404,937	15,064,452
Total	100%	$ 43,118,039	$ 28,053,587	$ 15,064,452

As a component unit of the Lafayette Consolidated Government, the Authority follows the Cash Management Rules and Guidelines of the Lafayette Consolidated Government. The following are the risks associated with these 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.

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 U.S. government agencies. At October 31, 2010, the Authority's investments in the Federal Home Loans Bank, the Federal Farm Credit Bank, and the Federal Home Loan Mortgage Company (as noted on the above chart) was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk: The Authority's investment policy limits the Authority's investment instruments to: 1) Certificates of Deposit; 2) Certain direct obligations of the US Government; 3) Other "direct obligations" of the US Government; and, 4) Obligations of certain US Government Agencies.

(3) Property, Plant, and Equipment

The following is a summary of changes in property, plant, and equipment:

	Beginning Balance 11/01/09	Additions	Deletions	Ending Balance 10/31/10
Capital assets not being depreciated:				
Land	$ 201,964	$ -	$ -	$ 201,964
Construction in progress	10,312,141	772,713	10,220,741	864,113
Other capital assets:				
Plant in service	134,736,766	10,353,030	4,204,657	140,885,139
Vehicles	742,508	-	-	742,508
Coal cars	16,024,525	-	-	16,024,525
Totals	162,017,904	11,125,743	14,425,398	158,718,249
Less accumulated depreciation	111,962,684	5,216,404	2,921,083	114,258,005
Property, plant, and equipment, net	$ 50,055,220	$ 5,909,339	$ 11,504,315	$ 44,460,244

Depreciation expense charged to operations for the years ended October 31, 2010 and 2009 was $5,216,404 and $4,920,837, respectively.

(4) Electric Revenue Bonds

The following is a summary of the electric revenue bonds transactions for the year ended October 31, 2010:

Issue	Balance 11/1/2009	Additions	Deletions	Balance 10/31/2010	Due Within One Year
Serial Bond - 2002	$ 4,760,000	$ -	$ 1,160,000	$ 3,600,000	$ 1,220,000
Serial Bond - 2003	37,480,000	-	10,070,000	27,410,000	10,625,000
Serial Bond - 2007	33,605,000	-	500,000	33,105,000	520,000
	$ 75,845,000	$ -	$ 11,730,000	$ 64,115,000	$ 12,365,000

The Authority issues bonds where it pledges project power revenues, after payment of operating expenses, as well as assets of the Authority, as established by ordinance. Revenue bonds outstanding at October 31, 2010 and 2009 are as follows:

Purpose	Interest Rate	Issue Date	2010	2009
Electric Revenue Refunding Serial Bonds Series 2002	2.85% - 4.00%	09/01/02	$ 3,600,000	$ 4,760,000
Electric Revenue Refunding Serial Bonds Series 2003	5.00%	08/04/03	27,410,000	37,480,000
Electric Revenue Refunding Serial Bonds Series 2007	3.50% - 5.00%	12/05/07	33,105,000	33,605,000
Total principal outstanding			64,115,000	75,845,000
Add: unamortized premium			1,818,003	2,588,826
Less: unamortized loss on refunding			(1,898,311)	(3,003,119)
Net revenue bonds outstanding			$ 64,034,692	$ 75,430,707

Revenue bond debt service requirements to maturity are as follows:

Year Ended October 31	Principal	Interest	Total
2011	$ 12,365,000	$ 2,769,071	$ 15,134,071
2012	13,030,000	2,157,076	15,187,076
2013	7,235,000	1,671,029	8,906,029
2014	580,000	1,486,594	2,066,594
2015	605,000	1,462,056	2,067,056
2016 - 2020	3,430,000	6,896,269	10,326,269
2021 - 2025	4,225,000	6,077,128	10,302,128
2026 - 2030	8,410,000	4,925,188	13,335,188
2031 - 2033	14,235,000	1,090,875	15,325,875
	$ 64,115,000	$ 28,535,286	$ 92,650,286

Prior Year Issue

On December 5, 2007, the Authority issued $34,045,000 in Electric Revenue Bonds dated December 6, 2007, with interest rates ranging from 3.50 to 5.00 percent. The net proceeds of $33,926,453 (after premiums of $344,296 and payment of $462,843 in underwriting fees) are to provide capital to fund construction projects. Bond proceeds in the amount of $15,945,966 were used to purchase 246 aluminum rail cars, which have a useful life of 27 years. The remaining proceeds will be used to fund its share of capital projects at the Rodemacher Unit No. 2 Power Station. The projects include but are not limited to the installation of Low Nox burners, a rewind of the Generator Stator, a re-tube of the main condenser, and the replacement of the feed water heater.

Prior Year Refundings

On August 4, 2003, the Authority issued $61,210,000 of Electric Revenue Refunding Bonds dated August 4, 2003, with an interest rate of 5.00 percent to advance refund $66,400,000 of outstanding 1993 Series bonds with an interest rate ranging from 2.80 to 5.25 percent. The net proceeds of $67,638,981 (after premiums of $7,393.484 and payment of 964,503 in underwriting fees, insurance, and other issuance costs) plus an additional $1,636.481 of 1993 Series bonds sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1993 Series bonds. As a result, the 1993 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The 1993 Series bonds were called on the optional call date of November 1, 2004, for a partial legal defeasance.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $3,989,680. The difference, reported in the accompanying financial statements as a deduction from bonds payable, and will be charged to operations through the year 2012. The loss amortization for the years ended October 31, 2010 and 2009 was $692,540 and $656,365, respectively. The remaining unamortized loss at October 31, 2010 and 2009 was $1.094,050 and $1,786.589, respectively. The government completed the advance refunding to reduce its total debt service payments over the next nine years by $6,478,124 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $5.732,007.

On September 12, 2002, the Authority issued $30,340,000 of Electric Revenue Refunding Bonds dated September 1, 2002, with interest rates ranging from 2.85 to 4.00 percent to advance refund $29,855.000 of outstanding 1996 Series bonds with an interest rate ranging from 3.70 to 5.25 percent. The net proceeds of $30,121,607 (after premiums of $223,760 and payment of $442,153 in underwriting fees, insurance, and other issuance costs) plus an additional $736,943 of 1996 Series bonds sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996 Series bonds. As a result, the 1996 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The 1996 Series bonds were called on the optional call date of November 1, 2002, for a complete legal defeasance.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $10,252,646. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2012. The loss amortization for the years ended October 31, 2010 and 2009 was $412,268 and $391,993, respectively. The remaining unamortized loss at October 31, 2010 and 2009 was $804,261 and $1,216,530, respectively. The government completed the advance refunding to reduce its total debt service payments over the next 10 years by $2,260,203 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $1,779,886.

(5) Reconciliation of Income with Billings

Pursuant to Section 7.2 of its bond ordinance, the Authority is required to fix, establish, maintain and collect sufficient rates and charges to pay all costs of operations and maintenance, repairs, renewals and replacements, debt service installments and deposits into the bond reserve account and the bond reserve and contingency fund. Further, the power sales contract with the City of Lafayette provides that the components of the billing to the City includes all such costs and deposit requirements and also include a credit for all receipts from other sources.

Because of the differences between receipts and costs for billing purposes and revenues and expenses for statement presentation, the Statement of Revenues and Expenses might reflect a net income or loss for the year even though the authority was in compliance with all provisions of the bond covenant. For example, for statement presentation, the costs of capital items are billed and included as revenue from the City of Lafayette, but are shown as an asset rather than an expense. Similarly, some items considered as receipts for billing purposes are not treated as revenues for accounting purposes.

The following is a reconciliation of net income (loss) with billings for the years ended October 31, 2010 and 2009:

	2010	2009
Billing charges not treated as expenses for accounting purposes:		
Capital expenses	$ 629,788	$ 1,935,631
Principal (net of coal cars)	11,004,252	10,430,773
Accounting expenses not treated as charges for billing purposes		
Depreciation (net)	(3,855,656)	(3,621,611)
Amortization of:		
Debt issue expense	(114,403)	(114,403)
Loss on bond refunding	(1,104,808)	(1,048,358)
Bond premium	770,823	770,823
Unrealized loss on investment	(55,035)	(84,631)
Net loss on disposition of capital assets	(1,001,548)	(362,223)
Net income	$ 6,273,413	$ 7,906,001

(6) Flow of Funds/Restrictions on Use

Under the terms of the ordinance authorizing and providing for the issuance of electric revenue bonds of the Authority to finance the acquisition of an ownership interest in a fossil fuel steam electric generating plant and for other purposes relating thereto, the bonds are special obligations of the Authority payable solely from and secured by the revenues and other funds including bond proceeds. Such revenues consist of all income, fees, charges, receipts, profits, and other money derived by the Authority from its ownership and operation of the fossil fuel steam electric generating plant, other than certain money derived during the period of construction.

Money in the revenue fund shall be first applied to the payment of operating expenses of the plant, exclusive of depreciation and amortization. Money in the revenue fund shall then be deposited into the bond fund to pay principal and premium, if any, and interest on all bonds as they become due and payable and then applied to maintain in the bond fund reserve account an amount equal to the maximum annual debt service requirement on all bonds (initially funded from bond proceeds). After making the required payments into the operating account and bond fund, there shall be paid out of the revenue fund into the reserve and contingency fund an amount equal to $1,500,000 or such greater amount as may be determined by the consulting engineer; provided that there shall not be required to be paid therein during any month an amount in excess of twenty-five percent (25%) of the amounts required to be paid during such month to the bond fund.

If on any October 31st following the date of commercial operation, the monies credited (or to be credited as of such date) to the revenue fund shall exceed the Authority's required amount of working capital for the operations of the plant, the amount of such excess shall be applied by the Authority (i) to reduce monthly power costs to the City of Lafayette under the power sales contract; (ii) to pay the cost of making repairs, renewals and replacements, additions, betterments and improvements to and extensions of the plant operations; (iii) to the purchase or redemption of bonds; (iv) to any other purpose in connection with the plant operation; or, (v) to any other lawful purpose of the Authority, including the payment of subordinated indebtedness.

The fuel cost stability fund was established to allow level billings to the retail customer when the generating plant is out of service for a period of seven days or more. In those instances, a credit may be applied to the monthly power bill to the City of Lafayette. When the unit has been returned to operation, the funds, which were applied as a credit, are recovered by application of a surcharge to restore the fund balance over a reasonable period of time.

The reserve and contingency cash and investment balance at October 31, 2010 and 2009 was $5,163,741 and $5,163,741, respectively.

(7) Commitments and Contingencies

Coal Purchase Commitment

On August 4, 2009, the Authority and the Louisiana Energy and Power Authority entered into a two year contract with Arch Coal Sales Company, Inc. The Authority's share of the contract tonnage to be purchased is 1,800,000 tons.

The term of the contract and annual quantities to be purchased are as follows:

Calendar Year	Annual Quantity	Committed Cost	Purchase Commitment
2010	900,000	12.00	$ 10,800,000
2011	900,000	13.25	11,925,000
	1,800,000		$ 22,725,000

The contract price per ton is to be adjusted quarterly based upon the changes in certain economic indices stated in the contract.

During the fiscal year ended October, 31, 2010, the Authority purchased 746,253 tons at $12 per ton for a total cost of $8,955,036.

(8) Litigation

There is no litigation pending against the Authority at October 31, 2010.

(9) Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority, through its agreement with CLECO is insured to reduce the exposure to these risks.

(10) Related Party Transactions

The Lafayette Consolidated Government provides management and administrative support functions to the Authority in exchange for a fee. The amount charged to the Authority for these services for the years ended October 31, 2010 and 2009 amounted to $102,285 and $99,617, respectively. As of October 31, 2010 and 2009, the Authority owed the Lafayette Consolidated Government $3,058 and $4,345, respectively.

The Lafayette Utilities System (LUS) provides management and administrative support functions to the Authority in exchange for a fee. The amount charged to the Authority for these services for the years ended October 31, 2010 and 2009 amounted to $390,851 and $319,327, respectively. In addition, LUS provides auxiliary power to the Authority. The amount charged to the Authority for these services for the years ended October 31, 2010 and 2009 amounted to $164,848 and $312,316, respectively. As of October 31, 2010 and 2009, the Authority owed LUS $404,208 and $380,049, respectively.

The Authority sells electric power to LUS. Amounts billed to LUS for electric power sales for the years ended October 31, 2010 and 2009 were $64,653,777 and $65,840,205, respectively. As of October 31, 2010 and 2009, the Authority owed LUS $1,178,839 and $920,225, respectively.

(11) Concentrations

The Authority, in accordance with its power sales contract disclosed in Note (A), currently sells all of its electric power generated to the City of Lafayette. Should the City of Lafayette seek other possible sources of electricity, the Authority, through its 50% ownership of the Rodemacher Unit No. 2, could conceivably offer power to other interested purchasers.

(12) Subsequent Event Review

The Authority has evaluated subsequent events through March 15, 2011, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Schedule of Changes in Restricted Assets
For the Year Ended October 31, 2010

	Cash With Paying Agent	Bond Reserve Fund	Bond Principal and Interest Fund	Reserve and Contingency Fund	Fuel Cost Stability Fund	2007 Construction Fund	Total
Restricted cash and cash equivalents, October 31, 2009	$13,544,018	$ 38,453	$ -	$5,163,741	$4,500,000	$7,945,342	$31,191,554
Cash receipts:							
Interest received	-	216,306	15,398	7,049	6,220	10,749	255,722
Cash disbursements:							
Principal payments	(11,730,000)	-	-	-	-	-	(11,730,000)
Interest payments	(3,347,526)	-	-	-	-	-	(3,347,526)
Construction payments	-	-	-	-	-	(207,441)	(207,441)
Transfers among funds:							
Transfers from Bond Principal and Interest Fund	15,432,016	-	-	-	-	-	15,432,016
Transfers from Revenue Fund	-	-	15,432,016	-	-	-	15,432,016
Transfers to Paying Agent	-	-	(15,432,016)	-	-	-	(15,432,016)
Transfers to Revenue Fund - interest	-	(223,959)	(15,398)	(7,049)	(6,220)	-	(252,626)
Restricted cash and cash equivalents, October 31, 2010	13,898,508	30,800	-	5,163,741	4,500,000	7,748,650	31,341,699
Restricted investments and accrued interest, October 31, 2009	-	15,550,909	-	-	-	-	15,550,909
Purchases of investments	-	150,000	-	-	-	-	150,000
Decrease in accrued interest receivable	-	(105,979)	-	-	-	-	(105,979)
Decrease in fair value	-	(55,036)	-	-	-	-	(55,036)
Decrease in unamortized discount	-	2,571	-	-	-	-	2,571
Decrease in unamortized premium	-	(23,989)	-	-	-	-	(23,989)
Restricted investments and accrued interest, October 31, 2010	-	15,518,476	-	-	-	-	15,518,476
Total restricted cash, investments, and accrued interest, October 31, 2010	$13,898,508	$15,549,276	$ -	$5,163,741	$4,500,000	$7,748,650	$46,860,175

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Schedules of Operating Expenses
For the Years Ended October 31, 2010 and 2009

	2010	2009
Operating expenses:		
Production -		
Steam power generation - operation:		
Supervision	$ 208,077	$ 205,833
Fuel expense	42,364,565	41,382,603
Steam expense	630,285	779,199
Electric expense	566,966	364,001
Miscellaneous	494,124	444,770
Total	44,264,017	43,176,406
Steam power generation - maintenance		
Supervision and engineering	318,181	397,098
Structures	365,757	243,268
Boiler plant	2,591,448	3,686,443
Electric plant	193,907	250,672
Miscellaneous steam plant	815,078	750,935
Total	4,284,371	5,328,416
Steam power generation - maintenance		
Auxiliary power and EPA allowances	164,848	312,316
Total production	48,713,236	48,817,138
Transmission -		
Load dispatching expenses	191,182	193,872
Administrative and general -		
Administrative and general salaries	358,417	297,484
Miscellaneous general expenses	118,102	105,374
Administrative and general expenses	1,505,421	1,836,131
Outside services employed	89,536	70,593
Paying agent fees	19,821	23,309
Property insurance	147,981	140,999
Total administrative and general	2,239,278	2,473,890
Depreciation	3,855,656	3,621,611
Total operating expenses	$ 54,999,352	$ 55,106,511

INTERNAL CONTROL

AND

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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

The Board of Commissioners
Lafayette Public Power Authority
Lafayette, Louisiana

We have audited the basic financial statements of the Lafayette Public Power Authority, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2010, and have issued our report thereon dated March 15, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafayette Public Power Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Lafayette Public Power Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Public Power Authority's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Public Power Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management of the Lafayette Public Power Authority and is not intended to be and should not be used by anyone other these this specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
March 15, 2011

LAFAYETTE PUBLIC POWER AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended October 31, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (10/31/10) --						
		There were no findings noted.				
PRIOR YEAR (10/31/09) --						
		There were no findings noted.				