

**LAFAYETTE PUBLIC TRUST
FINANCING AUTHORITY**

Lafayette, Louisiana

Financial Report

Year Ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Lafayette Public Trust Financing Authority (hereinafter "Authority"), a component unit of Lafayette City-Parish Consolidated Government, as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lafayette Public Trust Financing Authority, as of March 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on pages 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal over financial reporting and compliance.

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

Lafayette, Louisiana
September 15, 2015

BASIC FINANCIAL STATEMENTS

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY

Lafayette, Louisiana

Statement of Net Position

March 31, 2015

	<u>Governmental Activities</u>
ASSETS	
Current:	
Cash and interest-bearing deposits	\$ 3,453,567
Investments	29,696,505
Accrued interest - investments	152,320
Restricted cash	<u>647,330</u>
Total current assets	<u>33,949,722</u>
Noncurrent assets:	
Notes receivable	2,652,124
Accrued interest on note receivable	68,548
Mortgages receivable, net	3,132,238
Investment in companies	1,021,755
Property held for resale	1,310,493
Capital assets	<u>522,903</u>
Total noncurrent assets	<u>8,708,061</u>
Total assets	<u>42,657,783</u>
LIABILITIES	
Accounts payable	30,476
Contracts payable	11,250
Retainage payable	3,724
Security deposits	2,500
Liabilities payable from restricted assets:	
Single family mortgage revenue bonds payable	10,698,065
Accrued interest on bonds payable	<u>47,162</u>
Total liabilities	<u>10,793,177</u>
NET POSITION	
Net investment in capital assets	507,929
Restricted for debt service	1,528,131
Unrestricted	<u>29,828,546</u>
Total net position	<u>\$ 31,864,606</u>

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Statement of Activities
For the Year Ended March 31, 2015

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Capital Grants and Contributions	
Governmental activities:				
General government	\$ 1,554,628	\$ 252,757	\$ -	\$ (1,301,871)
Interest on long-term debt	<u>509,786</u>	<u>-</u>	<u>-</u>	<u>(509,786)</u>
Total governmental activities	<u>\$ 2,064,414</u>	<u>\$ 252,757</u>	<u>\$ -</u>	<u>(1,811,657)</u>

General revenues:

Interest and investment earnings 3,308,471

Other revenue 23,682

Total general revenues 3,332,153

Change in net position 1,520,496

Net position, beginning 30,344,110

Net position, ending \$31,864,606

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

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Balance Sheet - Governmental Funds
March 31, 2015

	<u>General</u>	<u>Series 2007 Bonds</u>	<u>Series 2007A Bonds</u>	<u>Total</u>
ASSETS				
Current:				
Cash and interest-bearing deposits	\$ 3,453,567	\$ -	\$ -	\$ 3,453,567
Investments	17,448,046	6,197,713	6,050,746	29,696,505
Notes receivable	2,652,124	-	-	2,652,124
Mortgages receivable, net	3,132,238	-	-	3,132,238
Accrued interest receivable	195,969	12,000	12,899	220,868
Restricted cash	647,330	-	-	647,330
Property held for resale	1,310,493	-	-	1,310,493
Total assets	<u>\$28,839,767</u>	<u>\$6,209,713</u>	<u>\$6,063,645</u>	<u>\$ 41,113,125</u>
LIABILITIES AND FUND BALANCE				
Current liabilities:				
Accounts payable	\$ 30,476	\$ -	\$ -	\$ 30,476
Contracts payable	11,250	-	-	11,250
Retainage payable	3,724	-	-	3,724
Security deposits payable	2,500	-	-	2,500
Total liabilities	<u>47,950</u>	<u>-</u>	<u>-</u>	<u>47,950</u>
Fund balances:				
Nonspendable - property held for resale	1,310,493	-	-	1,310,493
Restricted - debt service	-	6,209,713	6,063,645	12,273,358
Committed - First Time Homebuyer Program	3,779,568	-	-	3,779,568
Unassigned	23,701,756	-	-	23,701,756
Total fund balances	<u>28,791,817</u>	<u>6,209,713</u>	<u>6,063,645</u>	<u>41,065,175</u>
Total liabilities and fund balances	<u>\$28,839,767</u>	<u>\$6,209,713</u>	<u>\$6,063,645</u>	<u>\$ 41,113,125</u>

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
March 31, 2015

Total fund balances for the governmental funds at March 31, 2015			\$41,065,175
Total net position reported for governmental activities in the statement of net position is different because:			
Investments in companies are not considered available and expendable; therefore, are not reported in the governmental funds.			1,021,755
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$	6,958	
Construction in progress		92,564	
Buildings and improvements, net of \$2,699 accumulated depreciation		418,307	
Equipment, net of \$1,139 accumulated depreciation		<u>5,074</u>	522,903
Long-term liabilities, including revenue bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Long-term liabilities at March 31, 2015:			
Revenue bonds payable		(10,243,000)	
Unamortized bond premium		(455,065)	
Accrued interest payable		<u>(47,162)</u>	<u>(10,745,227)</u>
Total net position of governmental activities at March 31, 2015			<u>\$31,864,606</u>

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended March 31, 2015

	General	Series 2007 Bonds	Series 2007A Bonds	Total
Revenues:				
Interest on mortgages receivable	\$ 159,439	\$ -	\$ -	\$ 159,439
Interest on interest-bearing deposits and investments	690,215	261,966	286,754	1,238,935
Increase in fair value of investments	749,262	96,886	42,194	888,342
Development fees	212,176	-	-	212,176
Management fees	40,581	-	-	40,581
Rental income	18,445	-	-	18,445
Miscellaneous	5,237	-	-	5,237
Total revenues	<u>1,875,355</u>	<u>358,852</u>	<u>328,948</u>	<u>2,563,155</u>
Expenditures:				
Current -				
General government:				
Accounting and auditing	40,920	-	-	40,920
Advertising	990	-	-	990
Conferences and meetings	5,626	-	-	5,626
Grant awards	995,232	-	-	995,232
Insurance	54,021	-	-	54,021
Legal fees	41,834	-	-	41,834
Maintenance	47,126	-	-	47,126
Miscellaneous	1,066	1,500	1,000	3,566
Office expenses	28,128	-	-	28,128
Payroll expenses	95,404	-	-	95,404
Professional fees	26,510	2,200	2,200	30,910
Uncollectible receivables	190,968	-	-	190,968
Utilities	11,135	-	-	11,135
Capital outlay	127,274	-	-	127,274
Debt service -				
Principal	-	1,358,000	1,010,000	2,368,000
Interest and other charges	-	308,164	316,706	624,870
Total expenditures	<u>1,666,234</u>	<u>1,669,864</u>	<u>1,329,906</u>	<u>4,666,004</u>
Net change in fund balances	209,121	(1,311,012)	(1,000,958)	(2,102,849)
Fund balances, beginning	<u>28,582,696</u>	<u>7,520,725</u>	<u>7,064,603</u>	<u>43,168,024</u>
Fund balances, ending	<u>\$28,791,817</u>	<u>\$ 6,209,713</u>	<u>\$6,063,645</u>	<u>\$41,065,175</u>

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended March 31, 2015

Total net changes in fund balances at March 31, 2015 per statement of revenues, expenditures and changes in fund balances			\$(2,102,849)
The change in net position reported for governmental activities in the statement of activities is different because:			
The profits from investment companies are not considered available; therefore, are not reported in the governmental funds.			1,021,755
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balances		\$ 122,344	
Depreciation expense for the year ended March 31, 2015		<u>(3,838)</u>	118,506
Bond principal payments are recorded as an expenditure on the statement of revenues, expenditures and changes in fund balances whereas the payment reduces the balance of bonds payable on the statement of net position.			2,368,000
Bond proceeds received as bond premiums or discounts are included as other financing sources on the statement of revenues, expenditures and changes in fund balances, whereas the bond premiums are deferred and amortized over the life of the bonds on the statement of activities.			104,233
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis			<u>10,851</u>
Total changes in net position at March 31, 2015 per statement of activities			<u>\$ 1,520,496</u>

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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.

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.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Fund Financial Statements (FFS)

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

The fund financial statements provide information about the Authority's funds. The emphasis on the fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

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

The major funds of the Authority are described below:

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.

Special Revenue Funds

Series 2007 Bond Fund

To account for the proceeds of the Series 2007, Single Family Mortgage Revenue Bonds, dated July 18, 2007 in the amount of \$28,800,000.

Series 2007A Bond Fund

To account for the proceeds of the Series 2007A, Single Family Mortgage Revenue Bonds, dated December 13, 2007 in the amount of \$25,000,000.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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

Cash, interest-bearing deposits, and investments

Under state law, the Authority may 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 Authority can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. Investments are stated at fair value.

Restricted assets

Restricted assets are those assets that are legally restricted as to their use. Restricted assets in the General Fund are related to the first-time homebuyer program.

Receivables

Notes and mortgages receivable in the General Fund consist of development loans and first-time homebuyer loans that are generally not expected or scheduled to be collected in the subsequent year. These are reported net of allowances. At March 31, 2015, the allowance for uncollectible accounts is \$659,319.

Capital Assets

Capital assets, which include property, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Authority maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives by using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Investment in Companies

The Authority accounts for certain investments in companies by the equity method. The Authority reports its share of the respective earnings (losses) in the government-wide statement of activities as general revenues, "Interest and investment earnings." The carrying value of the investments are reported in the government-wide statement of net position as "Investment in companies."

Property Held for Resale

Property held for resale is valued at cost. The cost is recorded as an expenditure at the time the property is sold. The property is equally offset by a fund balance reserve to indicate that it does not constitute "available expendable resources" even though it is a component of net position.

Long-term debt

The accounting treatment of long-term debt depends on whether the debt relates to the governmental or proprietary fund obligations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as a liability in the government-wide statements. The long-term debt consists of single-family mortgage revenue bonds payable including the unamortized premium.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated absences

The Authority grants vacation benefits to employees after six months of employment. Vacation earned is based on years of service. The Authority encourages use of vacation benefits in the year granted, therefore, no vacation payable is expected at year end. Any carryover of vacation time must be approved. Sick time benefits are not paid upon separation of employment from the Authority for any reason.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources at March 31, 2015.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Equity Classifications

The authority classifies net position in the government-wide financial statements as follows:

- a. Net investment in capital 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 acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to remain intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can only be used for specific purposes determined by a formal decision of the Authority's Board of Trustees, which is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by Trustees.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority's adopted policy, only the Board of Trustees may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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

E. Revenues, Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified by character. Governmental funds report expenditures of financial resources.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). Proceeds from the issuance of bonds and premiums are accounted for as other financing sources.

F. 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.

G. 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) Bond Restrictions

A. 2007 Bond Issue (\$28,800,000)

The accounts to be held by the Trustee are as follows:

Program Fund –

Cost of Issuance Account

Amounts in the Costs of Issuance account are not pledged as security for the Bonds and are not available for such payments. This account is used to account for amounts paid for issuance of the bonds.

Acquisition Account, including the Downpayment Assistance Subaccount

This account along with the Downpayment Assistance subaccount of the Acquisition account is used to account for the initial purchase of securities with the proceeds of the issuance of the bonds.

Administrative Account

The Administrative account is used to account for the payment of program expenses when due. If at any time there is in excess of \$25,000 in the account, the Authority may withdraw such excess and use such amounts for any lawful purpose of the Authority.

Revenue Fund -

The Revenue Fund will account for all pledged revenues excluding mortgage repayments and principal prepayments, which shall be deposited directly to the Redemption account of the Bond Fund, and any income or interest earned by any fund or account other than the Rebate Fund and the Cost of Issuance account. Monies shall be transferred as follows: (a) on the business day preceding each interest payment date or date of redemption of all or a portion of the bonds, there shall be transferred into the Interest Payment Fund, an amount sufficient, together with money on deposit therein, to pay the interest on the bonds due on such interest payment date or date of redemption of all or a portion of the bonds, (b) to the Rebate Fund, 6.47% of the total interest revenue received from the initial investment agreement or such different amount at the direction of the Authority if and to the extent required by the Rebate Analyst; (c) on the business day preceding each interest date, after providing for the aforementioned payments, to the Administrative account of the Program Fund one-sixth (1/6th) of the amount necessary to pay the trustee's fee, the rebate analyst's fee and the program expense fee due and payable on each June 1 and December 1, to the extent sufficient funds are not already on deposit therein; and (d) on the business day preceding each interest payment date or date of redemption of all or a portion of the bonds, the excess revenues, if any, for such interest payment date shall be transferred into the Redemption account of the Bond Fund for distribution to the Bondholders pursuant to a mandatory redemption of the bonds as provided in the indenture.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Revenue Fund (Continued) -

In the event of any deficiency in the amount required to pay the principal or interest on the bonds on any interest payment date, the Trustee shall withdraw funds on deposit in the following funds in the following order of priority: first, the Short-Term Reserve Fund, then the Revenue Fund, then the Administrative account of the Program Fund and then the Redemption account of the Bond Fund but only if no notice of redemption has been given.

In addition, moneys may be withdrawn to pay the accrued interest on bonds being redeemed and to pay the purchase price of bonds being purchased in lieu of redemption pursuant to the Indenture, to be applied to payment of such purchase price and credited against such redemption payments. To the extent that funds on deposit in the revenue fund are insufficient to pay the principal of and interest on the bonds due on the next payment date, notice shall be given to the Investment Agreement Provider to withdraw the amounts necessary to pay the principal of and interest on bonds due.

Bond Fund -

Principal Account and Interest Account

The funds in the Principal account and the Interest account of the Bond Fund will be used to pay the principal and interest due on the bonds on each interest payment date.

Redemption Account

All mortgage repayments and principal prepayments shall be deposited to this account and shall be applied to the redemption of bonds pursuant to the indenture.

Short-Term Reserve Fund -

Moneys in the Short-Term Reserve Fund will be used if required: (i) to pay the accrued interest portion of the Certificate Purchase Price of each GNMA Security, Fannie Mae Security and FHLMC Security; (ii) to pay a portion of the applicable Certificate Purchase Price of GNMA Securities, Fannie Mae Securities and FHLMC Securities; (iii) while amounts are on deposit in the Acquisition account of the Program Fund, to pay principal and interest on the bonds when due to the extent other pledged revenues available therefore under the indenture are insufficient; (iv) to pay the program expenses when due to the extent other pledged revenues therefore are insufficient; and (v) to pay a portion of the redemption price of the bonds in the event of redemption due to unexpended proceeds.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

On the day following the interest payment date next succeeding the date on which no amounts remain on deposit in the Acquisition account of the Program Fund, the Trustee shall withdraw from the Short-Term Reserve Fund amounts, if any, on deposit therein and transfer such amounts to the Authority, free and clear of the lien of the indenture, but only upon receipt by the Authority of written confirmation from Moody's that such transfer will not adversely affect the rating on the bonds.

Rebate Fund –

Amounts deposited and held in the Rebate Fund shall not be subject to the pledge of the indenture and shall be used by the Trustee at such times and in such amounts to comply with rebate requirements of the code as instructed by the Authority. Investment earnings on any moneys in the Rebate Fund shall be retained therein.

B. 2007A Bond Issue (\$25,000,000)

The accounts to be held by the Trustee are as follows:

Program Fund –

Cost of Issuance Account

Amounts in the Costs of Issuance account are not pledged as security for the Bonds and are not available for such payments. This account is used to account for amounts paid for issuance of the bonds.

Acquisition Account, including the Downpayment Assistance Subaccount

This account along with the Downpayment Assistance subaccount of the Acquisition account is used account for the initial purchase of securities with the proceeds of the issuance of the bonds.

Administrative Account

The Administrative account is used to account for the payment of program expenses when due. If at any time there is in excess of \$25,000 in the account, the Authority may withdraw such excess and use such amounts for any lawful purpose of the Authority.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Revenue Fund –

The Revenue Fund will account for all pledged revenues excluding mortgage repayments and principal prepayments, which shall be deposited directly to the Redemption account of the Bond Fund, and any income or interest earned by any fund or account other than the Rebate Fund and the Cost of Issuance account. Monies shall be transferred as follows: (a) on the business day preceding each interest payment date or date of redemption of all or a portion of the bonds, there shall be transferred into the Interest Payment Fund, an amount sufficient, together with money on deposit therein, to pay the interest on the bonds due on such interest payment date or date of redemption of all or a portion of the bonds, (b) to the Rebate Fund, an amount at the direction of the Authority if and to the extent required by the Rebate Analyst; (c) on the business day preceding each interest date, after providing for the aforementioned payments, to the Administrative account of the Program Fund one-sixth (1/6th) of the amount necessary to pay the trustee's fee, the rebate analyst's fee and the program expense fee due and payable on each June 1 and December 1, to the extent sufficient funds are not already on deposit therein; and (d) on the business day preceding each interest payment date or date of redemption of all or a portion of the bonds, the excess revenues, if any, for such interest payment date shall be transferred into the Redemption account of the Bond Fund for distribution to the Bondholders pursuant to a mandatory redemption of the bonds as provided in the indenture.

In the event of any deficiency in the amount required to pay the principal of or interest on the bonds on any interest payment date, the Trustee shall withdraw funds on deposit in the following funds in the following order of priority: first, the Short-Term Reserve Fund, then the Revenue Fund, then the Administrative account of the Program Fund and then the Redemption account of the Bond Fund but only if no notice of redemption has been given.

In addition, moneys may be withdrawn to pay the accrued interest on bonds being redeemed and to pay the purchase price of bonds being purchased in lieu of redemption pursuant to the Indenture, to be applied to payment of such purchase price and credited against such redemption payments. To the extent that funds on deposit in the revenue fund are insufficient to pay the principal of and interest on the bonds due on the next payment date, notice shall be given to the Investment Agreement Provider to withdraw the amounts necessary to pay the principal of and interest on bonds due.

Bond Fund –

Principal Account and Interest Account

The funds in the Principal account and the Interest account of the Bond Fund will be used to pay the principal of and interest due on the bonds on each interest payment date.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Redemption Account

All mortgage repayments and principal prepayments shall be deposited to this account and shall be applied to the redemption of bonds pursuant to the indenture.

Short-Term Reserve Fund –

Moneys in the Short-Term Reserve Fund will be used if required: (i) to pay the accrued interest portion of the Certificate Purchase Price of each GNMA Security, Fannie Mae Security and FHLMC Security; (ii) to pay a portion of the applicable Certificate Purchase Price of GNMA Securities, Fannie Mae Securities and FHLMC Securities; (iii) while amounts are on deposit in the Acquisition account of the Program Fund, to pay principal and interest on the bonds when due to the extent other pledged revenues available therefore under the indenture are insufficient; (iv) to pay the program expenses when due to the extent other pledged revenues therefore are insufficient; and (v) to pay a portion of the redemption price of the bonds in the event of redemption due to unexpended proceeds. On the day following the interest payment date next succeeding the date on which no amounts remain on deposit in the Acquisition account of the Program Fund, the Trustee shall withdraw from the Short Term Reserve Fund amounts, if any, on deposit therein and transfer such amounts to the Authority, free and clear of the lien of the indenture, but only upon receipt by the Authority of written confirmation from Moody's that such transfer will not adversely affect the rating on the bonds.

Rebate Fund –

Amounts deposited and held in the Rebate Fund shall not be subject to the pledge of the indenture and shall be used by the Trustee at such times and in such amounts to comply with rebate requirements of the code as instructed by the Authority. Investment earnings on any moneys in the Rebate Fund shall be retained therein.

(3) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

At March 31, 2015, the Authority had cash and interest-bearing deposits (book balances) of \$4,100,897 as follows:

Governmental activities:	
Demand deposits	\$ 793,288
Money market accounts	<u>3,307,609</u>
Totals	<u>\$ 4,100,897</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority's deposits may not be recovered or the Authority will not be able to recover collateral securities that are in the possession of an outside party. These deposits 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Authority or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at March 31, 2015 are secured as follows:

Bank balances	<u>\$ 4,122,158</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>3,372,158</u>
Total	<u>\$ 4,122,158</u>

Deposits in the amount of \$3,372,158 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Authority's name. The Authority does not have a policy for custodial credit risk.

B. Investments

The Authority can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The Authority's investments are insured or registered and are held by the Authority or its agent in the Authority's name.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

At March 31, 2015, the Authority had the following investments and maturities:

Investment Type	% of Portfolio	Fair Value	Investment Maturities			
			Less Than 1 Year	1 - 5 Years	6 - 10 Years	Thereafter
Certificates of Deposit	6%	\$ 1,764,493	\$ 350,179	\$ 355,861	\$ 856,513	\$ 201,940
Corporate Bonds	2%	586,197	-	486,774	99,423	-
Collateralized Mortgage Obligations	4%	1,310,325	-	-	-	1,310,325
Mortgage Backed Securities	42%	12,537,372	722,585	-	-	11,814,787
Municipal Obligations	43%	12,785,072	-	1,739,467	5,910,599	5,135,006
U.S. Government Obligations	<u>2%</u>	<u>713,047</u>	<u>-</u>	<u>-</u>	<u>159,522</u>	<u>553,525</u>
Total	<u>100%</u>	<u>\$ 29,696,505</u>	<u>\$ 1,072,764</u>	<u>\$ 2,582,101</u>	<u>\$ 7,026,057</u>	<u>\$ 19,015,583</u>

Investments in the special revenue funds are held by bond trustees as follows:

Accounts	Fidelity Treasury Money Market Accounts	FHLM Mortgage-Backed Securities	GNMA Mortgage-Backed Securities	Totals
2007 Bond Issue -				
Administrative	\$230,562	\$ -	\$ -	\$ 230,562
Revenue	-	4,881,595	800,348	5,681,943
Redemption	237,859	-	-	237,859
Short-term reserve	22,818	-	-	22,818
Rebate	<u>24,531</u>	<u>-</u>	<u>-</u>	<u>24,531</u>
	<u>515,770</u>	<u>4,881,595</u>	<u>800,348</u>	<u>6,197,713</u>
2007A Bond Issue -				
Administrative	168,806	-	-	168,806
Revenue	-	2,687,937	3,155,988	5,843,925
Short-term reserve	24,344	-	-	24,344
Redemption	<u>13,671</u>	<u>-</u>	<u>-</u>	<u>13,671</u>
	<u>206,821</u>	<u>2,687,937</u>	<u>3,155,988</u>	<u>6,050,746</u>
Totals	<u>\$722,591</u>	<u>\$ 7,569,532</u>	<u>\$3,956,336</u>	<u>\$ 12,248,459</u>

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Interest Rate Risk – It is the policy of the Authority to invest in a mixture of fixed income, short-term and long-term instruments, and cash equivalents. The Authority operates two accounts. The first account establishes an Operating Fund with sufficient liquidity to meet operating expenses and cash needs. The second account establishes an Investment Fund to generate income plus growth.

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy limits investments to debt securities that are guaranteed by the United States Government or its agencies (including mortgage backed securities); corporate bonds, debentures, other forms of corporate debt including other asset backed securities and equipment trust certificates; and Build America Bonds. The Authority will not invest in more than 10% in bonds below investment grade BB or lower. At March 31, 2015, no more than 5% of the Authority's total investments were invested in any single issue.

<u>Rating by Standard & Poor's</u>	<u>Fair Value</u>
AAA	\$ 2,487,829
AA+	1,198,245
AA-	1,844,180
AA	3,743,550
A+	2,225,017
A	721,275
A-	630,849
Not rated	<u>16,845,560</u>
	<u>\$29,696,505</u>

Custodial Credit Risk – For an investment, the custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all investments be kept in the Authority's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Government. Accordingly, the Authority had no custodial credit risk related to its investments at March 30, 2015.

The Authority recognized a net increase in the fair value of investments for the fiscal year ended March 31, 2015 in the amount of \$1,827,647. This amount takes into account all the changes in fair value (including purchases and sales) that occurred during the year.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(4) Investment in Limited Partnerships and Corporations

Cypress Trails – The Authority adopted a resolution on February 3, 2006 declaring its intent to develop and own an affordable apartment home development for the purpose of providing affordable rental apartment homes to low income individuals and families through the Louisiana Housing Finance Agency's Low Income Housing Tax Credit Program. On November 11, 2009, the Authority formed a not-for-profit corporation, The Cypress Trails Corporation (the Corporation), and subsequently entered into a partnership with other limited partners to form the Cypress Trails Limited Partnership (the Partnership). The Corporation is the general partner, and owns a .009% equity interest in the partnership. The purpose of this enterprise is to develop an 80 unit elderly/permanent supportive new housing development. The development will consist of a community facility which will be available for tenants and will provide supportive services to the elderly and handicapped tenants. The development owner applied for, and received an allocation of 9% tax credits from the Louisiana Housing Finance Agency. On December 1, 2010, the Partnership closed on construction financing related to the project. As part of the funding agreements, the Corporation, and the Authority have jointly guaranteed a bridge loan in the amount of \$2,650,000, and a construction loan, which has a draw limit of \$2,316,000. Both of these loans will be refinanced at completion of construction using non-recourse debt, which will remove the guaranties at that time. In addition to the above, the Corporation and the Authority have: (1) agreed to fund operating deficits of the Partnership, limited to \$239,000 if the achievement of certain benchmarks are met; (2) have guaranteed the completion of construction of the project; (3) and guaranteed the payment of any adjustment amounts or reduction amounts related to the tax credit program. As a general partner, The Cypress Trails Corporation is potentially liable for all the debts of the partnership.

Joie de Vivre – In March 2011, JDV Development, LLC (LLC) was formed by Acadiana Outreach Center, Inc. (AOC) for the purpose of engaging in any legitimate business pursuit or any lawful activity for which limited liability companies may be formed, as set forth in LSA-R.S. 12:1302. The LLC was formed to assist AOC in acquiring, constructing, rehabilitating, maintaining, and operating affordable housing projects located in the City and Parish of Lafayette and to act as the General Partner in the JDV Limited Partnership (the Partnership), for the specific purpose of developing the Joie de Vivre Project. Due to financial circumstances, AOC expressed its desire to transfer its interest in the development of the Joie de Vivre project to the Authority. The Authority adopted a resolution on September 27, 2011, declaring its intent to continue the development of the Joie de Vivre project - a smart growth, mixed use, workforce housing development in downtown Lafayette. On January 27, 2012, the Authority entered into an agreement to accept the transfer of AOC's interest in the Joie de Vivre Project via a transfer of ownership of the LLC. JDV Development, LLC will continue to act as the General Partner of JDV Limited Partnership, and owns .01% equity interest in the Partnership. On January 31, 2012, the Partnership closed on a \$9,000,000 construction loan related to the project. During 2013, the construction loan in the amount of \$7,938,236 was converted to permanent financing.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Studio 114, LLC - - The Authority organized Studio 114, LLC during March 2012 to rehabilitate, develop, and operate a 15-unit apartment project, known as The Studios at LWG in Lafayette, Louisiana. The apartment project consists of 8 HOME assisted and 7 market rate apartments. The apartments are rented to low-income tenants and are operated in a manner necessary to comply with the Louisiana Housing Corporation, formally Louisiana Housing Finance Agency, Urban Rental Development Grant Agreement under the HOME Investment Partnership Program. The major activities of the Company are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. The Authority is the sole member of the Louisiana Limited Liability Company. As of March 31, 2015, the Authority's investment in the Company amounted to \$937,782.

Sans Souci, LLC - The Authority created Sans Souci, LLC during 2013 to accept the donation of a historically significant building known as the San Souci building. The Corporation's purpose is to preserve and maintain the Sans Souci building and ensure that the building will be used as a cultural facility for cultural services and activities. The Authority is the sole member of the Louisiana Limited Liability Company. As of March 31, 2015, the Authority's investment in the Company amounted to \$83,973.

(5) Notes Receivable

On August 10, 2006, the Authority financed the purchase of 14.61 acres by the Housing Authority of the City of Lafayette. This loan in the amount of \$425,000 is secured by a mortgage on the property and bears interest at a rate of 3% per annum accruing until the note is repaid when the Housing Authority's project is funded by Low Income Housing Tax Credits or in 5 years. In 2009 the Board of Trustees of the Lafayette Public Trust Financing Authority agreed to restate the loan to a long term, no interest, cash flow loan to be a project funding source for the City of Lafayette Housing Authority tax credit affordable housing project known as Villa Gardens, Lafayette, Louisiana. A Signed Loan Agreement reflecting this agreement was executed on July 16, 2010 with a principal balance which consists of the original loan amount and accrued and unpaid interest. At March 31, 2015, no payments have been made on this note.

\$ 463,250

Certain startup costs of the Cypress Trails Partnership venture were advanced by the Authority as of March 31, 2013 in the amount of \$700,000. This Advance is in the form of a non-interest bearing note, secured by a second mortgage on the property. Repayment of the note will be from surplus cash generated by the project.

639,874

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

On April 8, 2011, the Authority issued a loan in the amount of \$1,000,000 to JDV Development, Limited Partnership to provide funding for the Joie de Vivre project. The loan will bear interest at a rate of 3% per annum with no interest accruing during the project construction period and until the units constructed in the project are placed in service. Payments of principal and accrued interest will be repaid from 50% of the net cash flow from the operations of the project. The project was substantially completed in December 2012. At March 31, 2015, the loan had accrued interest of \$68,548.

1,000,000

On June 6, 2012 The Authority approved a \$1,010,000 non-interest bearing note to Studio 114, LLC, which the Authority created in March 2012 and of which it is the sole member. The funds will be used to construct a fifteen-unit, mixed income, income and rental restricted affordable housing project. The project will also be funded from a \$1,000,000 HOME grant to assist in financing the development. The loan will be repaid out of surplus cash flows from the project.

549,000

Total

\$ 2,652,124

(6) Capital Assets

Capital asset activity for the year ended March 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,958	\$ -	\$ -	\$ 6,958
Construction in progress	397,439	116,131	421,006	92,564
Other capital assets:				
Buildings and improvements	-	421,006	-	421,006
Equipment	-	6,213	-	6,213
Totals	<u>404,397</u>	<u>543,350</u>	<u>421,006</u>	<u>526,741</u>
Less accumulated depreciation				
Building and improvements	-	2,699	-	2,699
Equipment	-	1,139	-	1,139
Total accumulated depreciation	<u>-</u>	<u>3,838</u>	<u>-</u>	<u>3,838</u>
Governmental activities, capital assets, net	<u>\$ 404,397</u>	<u>\$ 539,512</u>	<u>\$ 421,006</u>	<u>\$ 522,903</u>

At March 31, 2015, governmental activities had depreciation expense in the amount of \$3,838.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(7) Bonds Payable

Series 2007, Single Family Mortgage Revenue Bonds, dated July 18, 2007 with a maturity date of January 1, 2041, bearing interest at the rate of 5.35% in the amount of \$28,800,000. Interest on the bonds are payable on the first business day of each month.

Based upon monies in the Redemption Account plus mortgage repayments and principal prepayments during the month, Bonds may be redeemed monthly in minimum aggregate principal amounts of \$1,000.

Series 2007A, Single Family Mortgage Revenue Bonds, dated December 13, 2007 with a maturity date of May 1, 2041, bearing interest at the rate of 5.70% in the amount of \$25,000,000. Interest on the bonds are payable on the first business day of each month.

Based upon monies in the Redemption Account plus mortgage repayments and principal prepayments during the month, Bonds may be redeemed monthly in minimum aggregate principal amounts of \$5,000.

The following is a summary of bond transactions of the Authority for the year ended March 31, 2015:

Bonds payable, beginning of year	\$ 12,611,000
Add: Bonds issued	-
Less: Bonds retired	<u>(2,368,000)</u>
Bonds payable, end of year	10,243,000
Add: Unamortized bond premiums	<u>455,065</u>
Total governmental activity debt	<u><u>\$ 10,698,065</u></u>

Principal outstanding on all bonds as of March 31, 2015 are as follows:

Series 2007	\$ 5,118,000
Series 2007A	<u>5,125,000</u>
	<u><u>\$ 10,243,000</u></u>

(8) 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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Mortgages Receivable

The Authority has established and implemented a low interest revolving loan program to assist first time homebuyers in the Parish of Lafayette. Eligible participants may receive up to \$8,000, 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.

At March 31, 2015, the Authority had mortgages receivable in the amount of \$3,791,557. The Authority had an allowance for doubtful account accounts for mortgages receivable in the amount of \$659,319 at March 31, 2015.

(10) Conduit Debt Obligations and Contingencies

On April 15, 2009, the Authority issued Revenue Bonds in the amount of \$12,500,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., for the development, design construction and equipping of student housing facilities, including parking and other infrastructure at the University of Louisiana at Lafayette.

On December 2, 2010, the Authority issued additional Revenue Bonds in the amount of \$22,200,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., for the development, design construction and equipping of a student union and other infrastructure at the University of Louisiana at Lafayette.

On December 14, 2010, the Authority issued additional Revenue Bonds in the amount of \$100,050,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., for the development, design construction and equipping of student housing facilities, including parking and other infrastructure at the University of Louisiana at Lafayette.

On September 6, 2012, the Authority issued Revenue Bonds in the amount of \$13,185,000 to provide financial assistance to South Louisiana Corporation.

On October 30, 2012, the Authority issued additional Revenue Bonds in the amount of \$14,740,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., for the development, design construction and equipping of student housing facilities, including parking and other infrastructure at the University of Louisiana at Lafayette.

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, 2015, there were five series of revenue bonds outstanding. The principal amount outstanding for these issues was \$157,500,000. The original issue amount of the bonds was \$162,675,000.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(11) Other Matters

There is a matter pending before the Louisiana Board of Ethics involving a former trustee (and chairman) of the Authority. The former trustee has not been an Authority trustee since 2009. The matter involves the former trustee providing development consulting services for compensation to two separate special limited partnerships formed to develop tax credit funded affordable housing projects and which are indirectly affiliated with the Authority either through a minority (.01%) ownership in the general partner corporation of the limited partnership or the Authority being a subordinated debt provider.

(12) Related Party Transactions

The Authority has a non-interest bearing note receivable from Studio 114, LLC in the amount of \$549,000 to assist in the project development and construction of a housing project.

The Authority recognized \$50,000 of developer fee income from JDV Limited Partnership and \$162,176 of developer fee income from Studio 114, LLC.

(13) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation and benefits paid to John Arceneaux, Chairman, for the year ended March 31, 2015 follows:

<u>Purpose</u>	<u>Amount</u>
Registration fees	\$ 800
Conference travel	230
Meals	245

(14) Subsequent Event

On June 24, 2015, the Authority issued their final installment on a cooperative endeavor agreement with Lafayette Central Park, Inc. in the amount of \$1,136,771.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended March 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest on mortgages receivable	\$ 250,000	\$ 150,000	\$ 159,439	\$ 9,439
Interest on interest-bearing deposits and investments	550,000	650,000	690,215	40,215
Increase (decrease) in fair value of investments	350,000	725,000	749,262	24,262
Development fees	-	200,000	212,176	12,176
Management fees	-	40,000	40,581	581
Rental income	-	18,000	18,445	445
Miscellaneous income	15,000	15,000	5,237	(9,763)
Total revenues	<u>1,165,000</u>	<u>1,798,000</u>	<u>1,875,355</u>	<u>77,355</u>
Expenditures:				
Current -				
General government:				
Accounting and auditing	20,000	45,000	40,920	4,080
Advertising	10,000	10,000	990	9,010
Conferences and meetings	-	6,000	5,626	374
Grant awards	1,800,000	1,100,000	995,232	104,768
Insurance	65,000	75,000	54,021	20,979
Legal fees	135,000	135,000	41,834	93,166
Maintenance	15,000	50,000	47,126	2,874
Miscellaneous	30,000	30,000	1,066	28,934
Office expenses	20,000	29,000	28,128	872
Payroll expenses	90,000	105,000	95,404	9,596
Professional fees	7,500	7,500	26,510	(19,010)
Uncollectible receivables	100,000	300,000	190,968	109,032
Utilities	10,000	10,000	11,135	(1,135)
Capital outlay	140,000	300,000	127,274	172,726
Total expenditures	<u>2,442,500</u>	<u>2,202,500</u>	<u>1,666,234</u>	<u>536,266</u>
Net change in fund balances	(1,277,500)	(404,500)	209,121	(458,911)
Fund balance, beginning	<u>28,582,696</u>	<u>28,582,696</u>	<u>28,582,696</u>	<u>-</u>
Fund balance, ending	<u>\$27,305,196</u>	<u>\$28,178,196</u>	<u>\$28,791,817</u>	<u>\$ (458,911)</u>

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Budgetary Comparison Schedule
Series 2007 Bonds Special Revenue Fund
Year Ended March 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest on interest-bearing deposits and investments	\$ 300,000	\$ 300,000	\$ 261,966	\$ (38,034)
Increase (decrease) in fair value of investments	(200,000)	(50,000)	96,886	146,886
Total revenues	<u>100,000</u>	<u>250,000</u>	<u>358,852</u>	<u>108,852</u>
Expenditures:				
Current -				
General government:				
Miscellaneous	2,000	2,000	1,500	500
Professional fees	5,000	5,000	2,200	2,800
Debt service -				
Principal	3,500,000	1,450,000	1,358,000	92,000
Interest and other charges	<u>600,000</u>	<u>350,000</u>	<u>308,164</u>	<u>41,836</u>
Total expenditures	<u>4,107,000</u>	<u>1,807,000</u>	<u>1,669,864</u>	<u>137,136</u>
Net change in fund balances	(4,007,000)	(1,557,000)	(1,311,012)	245,988
Fund balances, beginning	<u>7,520,725</u>	<u>7,520,725</u>	<u>7,520,725</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,513,725</u>	<u>\$ 5,963,725</u>	<u>\$ 6,209,713</u>	<u>\$ 245,988</u>

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Budgetary Comparison Schedule
Series 2007A Bonds Special Revenue Fund
Year Ended March 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest on interest-bearing deposits and investments	\$ 300,000	\$ 300,000	\$ 286,754	\$ (13,246)
Increase (decrease) in fair value of investments	(200,000)	(50,000)	42,194	92,194
Total revenues	<u>100,000</u>	<u>250,000</u>	<u>328,948</u>	<u>78,948</u>
Expenditures:				
Current -				
General government:				
Miscellaneous	2,000	2,000	1,000	1,000
Professional fees	5,000	5,000	2,200	2,800
Debt service -				
Principal	4,100,000	1,300,000	1,010,000	290,000
Interest and other charges	<u>600,000</u>	<u>350,000</u>	<u>316,706</u>	<u>33,294</u>
Total expenditures	<u>4,707,000</u>	<u>1,657,000</u>	<u>1,329,906</u>	<u>327,094</u>
Net change in fund balances	(4,607,000)	(1,407,000)	(1,000,958)	406,042
Fund balances, beginning	<u>7,064,603</u>	<u>7,064,603</u>	<u>7,064,603</u>	<u>-</u>
Fund balances, ending	<u>\$2,457,603</u>	<u>\$5,657,603</u>	<u>\$6,063,645</u>	<u>\$ 406,042</u>

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Lafayette Public Trust Financing Authority (the Authority) as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 15, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal controls that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2015-001 to be a material weakness. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

Lafayette Public Trust Financing Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Lafayette, Louisiana
September 15, 2015

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended March 31, 2015

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 (3/31/15) --						
<u>Internal Control:</u>						
2015-001	2008	Due to the small number of employees, the Authority did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	John Arceneaux, Trustee	N/A

Compliance:

There were no compliance findings.

(continued)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended March 31, 2015

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (3/31/14) --						
<u>Internal Control:</u>						
2014-001	2008	Due to the small number of employees, the Authority did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	John Arceneaux, Trustee	N/A
2014-002	2010	The Authority did not reconcile all material balance sheet accounts. The lack of reconciled accounts resulted in material journal entries in order to properly state the financial statements. The Authority should reconcile all material balance sheet accounts on a monthly basis and adjust the general ledger accordingly.	Yes	The Authority in April of 2013 engaged an independent public accounting firm to provide monthly and quarterly accounting services and account reconciliations. The Authority, with the assistance of its contracted accountant, will reconcile all material balance sheet accounts on a monthly basis to ensure that accounts are properly stated.	John Arceneaux, Trustee	3/31/2015
<u>Compliance:</u>						
2014-003	2012	The Authority did not comply with the Local Government Budget Act (R.S. 39:1301-15). The statute requires the Authority to adopt a budget amendment if there is a 5% or greater overage in expenditures during the fiscal year. The Authority exceeded the 5% allowance in the General Fund, Series 2007 Bonds Special Revenue Fund, and Series 2007A Bonds Special Revenue Fund.	Yes	The Authority will monitor budget variances more closely and amend the budget as necessary to comply with the Local Government Budget Act.	John Arceneaux, Trustee	3/31/2015