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**TOWN OF COUSHATTA, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1999**

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

Release Date FEB 23 2000

TOWN OF COUSHATTA, LOUISIANA
DECEMBER 31, 1999
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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Archie Worsham, Mayor
and Members of the Town Council
Post Office Box 531
Coushatta, Louisiana 71019

We have audited the accompanying general purpose financial statements of the Town of Coushatta, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These financial statements are the responsibility of the Town of Coushatta's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Coushatta, Louisiana, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 4, 2000, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town of Coushatta, Louisiana, taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the year ended December 31, 1998, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated April 6, 1999, on the general purpose financial statements of the Town of Coushatta, Louisiana.

Hines, Jackson & Hines
Natchitoches, Louisiana
February 4, 2000

COMBINED STATEMENTS - OVERVIEW

EXHIBIT A

TOWN OF COUSHATTA, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	ASSETS									
	Governmental Fund Types		Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Total
	General	Special Revenue	Enterprise	Agency	Fixed Assets	General	Long-Term Debt	1999	1998	(Memorandum Only)
Cash and cash equivalents	\$ 24,361	\$ 88,765	\$ 133,960	\$ 53,705	\$ 0	\$ 0	\$ 0	\$ 300,791	\$ 939,387	
Investments	65,000	640,031	149,658	0	0	0	0	854,689	339,292	
Accounts receivable										
Trade	1,000	0	32,691	0	0	0	0	33,691	34,222	
Ad valorem taxes	0	0	0	31,630	0	0	0	31,630	28,591	
Interest	38	955	919	0	0	0	0	1,912	1,025	
Other	16,021	0	0	0	0	0	0	16,021	15,660	
Notes receivable	0	185,000	0	0	0	0	0	185,000	0	
Prepaid expenditures	6,783	0	2,022	0	0	0	0	8,805	8,163	
Due from other funds	56,466	32,763	0	0	0	0	0	89,229	48,467	
Due from other governmental units	13,088	38,872	0	0	0	0	0	51,960	36,104	
Property, plant & equipment, net of accumulated depreciation	0	0	685,120	0	1,367,332	0	0	2,052,452	2,103,616	
Amount to be provided for retirement of general long-term debt	0	0	0	0	0	244,703	244,703	244,703	271,799	
Total Assets	\$ 182,757	\$ 986,386	\$ 1,004,370	\$ 85,335	\$ 1,367,332	\$ 244,703	\$ 244,703	\$ 3,870,883	\$ 3,826,326	

The notes to the financial statements are an integral part of this statement.

EXHIBIT A

TOWN OF COUSHATTA, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 DECEMBER 31, 1999

	Governmental Fund Types		Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Total		
	Special Revenue		Enterprise		Agency		General			(Memorandum Only)		
	General	Revenue	Enterprise	Agency	General Fixed Assets	Long-Term Debt	1999	1998				
LIABILITIES AND FUND EQUITY												
Liabilities												
Accounts payable	\$ 13,036	\$ 12,053	\$ 5,441	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,530	\$ 21,554		
Payroll, payroll taxes and benefits	13,150	0	4,159	0	0	0	0	0	17,309	17,562		
Customers' deposits	0	0	56,333	0	0	0	0	0	56,333	53,212		
Due to other funds	0	1,487	2,407	85,335	0	0	0	0	89,229	48,467		
Due to other governmental units	0	0	0	0	0	0	198,591	0	198,591	217,000		
Notes payable	0	0	0	0	0	0	41,130	0	41,130	50,000		
Accumulated unpaid vacation	0	0	3,837	0	0	0	4,982	0	8,819	7,677		
Total Liabilities	26,186	13,540	72,177	85,335	0	244,703	441,941	415,472				
Fund Equity												
Contributed capital	0	0	1,199,074	0	0	0	0	0	1,199,074	1,199,074		
Investment in general fixed assets	0	0	0	0	1,367,332	0	0	0	1,367,332	1,364,181		
Retained earnings - unreserved	0	0	(266,881)	0	0	0	0	0	(266,881)	(311,447)		
Fund balances												
Reserved for prepaid expenditures	0	0	0	0	0	0	0	0	0	6,307		
Unreserved	156,571	972,846	0	0	0	0	0	0	1,129,417	1,152,739		
Total Fund Equity	156,571	972,846	932,193	0	1,367,332	0	3,428,942	3,410,854				
Total Liabilities and Fund Equity	\$ 182,757	\$ 986,386	\$ 1,004,370	\$ 85,335	\$ 1,367,332	\$ 244,703	\$ 3,870,883	\$ 3,826,326				

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1999

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
REVENUES				
Taxes	\$ 125,973	\$ 363,670	\$ 489,643	\$ 425,081
Licenses and permits	101,774	0	101,774	101,150
Intergovernmental	51,828	0	51,828	40,965
Charges for services	115,899	0	115,899	116,234
Rents	34,751	0	34,751	35,814
Fines and forfeitures	7,518	0	7,518	7,531
Grants	15,071	0	15,071	822,818
Miscellaneous	10,396	36,376	46,772	116,728
Total Revenues	463,210	400,046	863,256	1,666,321
EXPENDITURES				
General government	219,091	101,101	320,192	619,995
Public safety	201,492	11,979	213,471	206,246
Public works	66,094	0	66,094	68,428
Sanitation	225,181	0	225,181	199,405
Highways and streets	0	3,243	3,243	5,552
Culture and recreation	0	26,080	26,080	19,535
Debit service	11,870	26,754	38,624	96,757
Total Expenditures	723,728	169,157	892,885	1,215,918
Excess of Revenues Over/(Under) Expenditures	(260,518)	230,889	(29,629)	450,403
OTHER FINANCING SOURCES/(USES)				
Proceeds from issuance of long-term debt	0	0	0	363,390
Transfer to other funds	0	(280,863)	(280,863)	(272,827)
Transfer from other funds	280,863	0	280,863	272,827
Total Other Financing Sources/(Uses)	280,863	(280,863)	0	363,390
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	20,345	(49,974)	(29,629)	813,793
FUND BALANCES, Beginning of year	136,226	1,022,820	1,159,046	345,253
FUND BALANCES, End of year	\$ 156,571	\$ 972,846	\$ 1,129,417	\$ 1,159,046

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1999

	General Fund		
	Budget	Actual	Variance Fav./Unfav.)
REVENUES			
Taxes	\$ 124,200	\$ 125,973	\$ 1,773
Licenses and permits	103,846	101,774	(2,072)
Intergovernmental	52,006	51,828	(178)
Charges for services	119,000	115,899	(3,101)
Rents	35,532	34,751	(781)
Fines and forfeitures	8,000	7,518	(482)
Grants	15,667	15,071	(596)
Miscellaneous	12,555	10,396	(2,159)
Total Revenues	470,806	463,210	(7,596)
EXPENDITURES			
General government	238,378	219,091	19,287
Public safety	209,615	201,492	8,123
Public works	63,778	66,094	(2,316)
Sanitation	223,165	225,181	(2,016)
Highways and streets	0	0	0
Culture and recreation	0	0	0
Debit service	11,870	11,870	0
Total Expenditures	746,806	723,728	23,078
Excess of Revenues Over/(Under) Expenditures	(276,000)	(260,518)	15,482
OTHER FINANCING SOURCES/(USES)			
Transfer to other funds	0	0	0
Transfer from other funds	276,000	280,863	4,863
Total Other Financing Sources/(Uses)	276,000	280,863	4,863
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	0	20,345	20,345
FUND BALANCES, Beginning of year	136,226	136,226	0
FUND BALANCES, End of year	<u>\$ 136,226</u>	<u>\$ 156,571</u>	<u>\$ 20,345</u>

<u>Special Revenue Fund Types</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Fav./(Unfav.)</u>
\$ 353,000	\$ 363,670	\$ 10,670
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>33,020</u>	<u>36,376</u>	<u>3,356</u>
386,020	400,046	14,026
100,127	101,101	(974)
12,000	11,979	21
0	0	0
0	0	0
4,110	3,243	867
24,337	26,080	(1,743)
<u>26,754</u>	<u>26,754</u>	<u>0</u>
<u>167,328</u>	<u>169,157</u>	<u>(1,829)</u>
218,692	230,889	12,197
(276,000)	(280,863)	(4,863)
<u>0</u>	<u>0</u>	<u>0</u>
<u>(276,000)</u>	<u>(280,863)</u>	<u>(4,863)</u>
(57,308)	(49,974)	7,334
<u>1,022,820</u>	<u>1,022,820</u>	<u>0</u>
<u>\$ 965,512</u>	<u>\$ 972,846</u>	<u>\$ 7,334</u>

TOWN OF COUSHATTA, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
YEARS ENDED DECEMBER 31, 1999 AND 1998

	Enterprise	
	1999	1998
OPERATING REVENUES		
Charges for services		
Water sales	\$ 309,514	\$ 230,320
Connect fees	265	3,965
Service fees, maintenance charge, other	<u>1,499</u>	<u>5,745</u>
Total Operating Revenues	311,278	240,030
OPERATING EXPENSES		
Advertising	1,403	0
Contractual services	7,355	3,863
Depreciation	54,315	54,530
Dues	1,501	421
Insurance	19,684	14,822
Insurance - employees	1,622	7,326
Maintenance and repairs	23,064	23,843
Miscellaneous	897	2,074
Office supplies and expense	7,643	7,036
Operating supplies and tools	21,594	13,779
Payroll taxes	1,954	815
Professional services	8,150	6,425
Rent	767	968
Retirement	2,677	3,291
Salaries	87,763	83,727
Telephone	5,592	4,822
Travel	2,257	658
Utilities	<u>25,898</u>	<u>32,604</u>
Total Operating Expenses	<u>274,136</u>	<u>261,004</u>
Operating income/(loss)	37,142	(20,974)
Nonoperating revenues/(expenses)		
Interest income	<u>7,424</u>	<u>4,833</u>
Net income/(loss)	44,566	(16,141)
Retained earnings - Unreserved, Beginning of year	<u>(311,447)</u>	<u>(295,306)</u>
Retained earnings - Unreserved, End of year	<u>\$ (266,881)</u>	<u>\$ (311,447)</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
COMPARATIVE STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE
YEARS ENDED DECEMBER 31, 1999 AND 1998

	Enterprise	
	1999	1998
Cash Flows Provided By/(Used In) Operating Activities		
Operating income/(loss)	\$ 37,142	\$ (20,974)
Adjustments to reconcile operating loss to net cash provided by/(used in) operating activities		
Depreciation	54,315	54,530
(Increase)/decrease in operating assets		
Accounts Receivable		
Trade	1,531	(15,957)
Prepaid expenses	(166)	1,798
Increase/(decrease) in operating liabilities		
Accounts Payable	1,387	2,185
Payroll taxes and retirement payable	(502)	(322)
Due from other funds	(300)	2,067
Customer deposits	3,121	1,195
Accumulated unpaid vacation	959	(846)
Net Cash Provided By/(Used In) Operating Activities	97,487	23,676
Cash Flows Provided By/(Used In) Capital And Related Financing Activities		
Purchase of equipment	0	(150)
Receipts from capital grants	0	0
Net Cash Provided By/(Used In) Capital And Related Financing Activities	0	(150)
Cash Flows Provided By/ (Used In) Investing Activities		
Purchase of investments	(52,042)	(812)
Receipts of interest	7,220	4,833
Net Cash Provided By/(Used In) Investing Activities	(44,822)	4,021
Increase/(Decrease) in Cash And Cash Equivalents	52,665	27,547
CASH AND CASH EQUIVALENTS, Beginning of year	81,295	53,748
CASH AND CASH EQUIVALENTS, End of year	\$ 133,960	\$ 81,295

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Coushatta was incorporated on April 22, 1872, under the provisions of a special home rule charter. The Town operates under a Mayor-Council form of government. The Town's major operations include public safety, fire protection, streets, sanitation, recreation and parks, utilities, and general administrative services.

The accounting and reporting policies of the Town of Coushatta conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial principles. Such accounting and reporting procedures also conform to the requirements set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units.

A. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Town is determined on the basis of the following criteria:

1. Financial interdependency. When a separate agency produces a financial benefit for or imposes a financial burden on a unit of government, that agency is a part of the reporting entity. Manifestations of financial interdependency include responsibility for financial deficits, entitlements to surpluses, and guarantees of, or "moral responsibility" for debt.
2. Selection of governing authority. An authoritative appointment is one where the entity's chief elected official maintains a significant continuing relationship with the appointed officials with respect to carrying out important public functions.
3. Designation of management. When management is appointed by and held accountable to a governing authority that is included in the entity, the activity being managed falls within the entity.
4. Ability to significantly influence operations. This ability includes, but is not limited to, the authority to review and approve budgetary requests, adjustments, and amendments.
5. Accountability for fiscal matters. Fiscal authority normally includes the authority for final approval over budgetary appropriations, responsibility for funding deficits and operating deficiencies, disposal of surplus funds, control over the collection and disbursement of funds, and maintenance of title to assets.

There may be, however, factors other than oversight that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These factors include:

1. Scope of Public Service. Aspects to be considered include who the activity benefits and whether it is conducted within the entity's geographic boundaries and generally available to its citizens.
2. Special Financing Relationship. Such a relationship may have been created to benefit the entity by providing for the issuance of debt on behalf of the entity.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Based on the application of these criteria, the financial statements of the Town of Coushatta, Louisiana, consist only of the funds and account groups of the Town since the Town has no oversight responsibility for any other governmental entity.

B. Fund Accounting

The accounts of the Town of Coushatta are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The individual funds account for the government resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds are grouped in this report into generic fund types and broad fund categories as follows:

Governmental Fund Types - Governmental funds account for all or most of the Town of Coushatta's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specific purposes. The Town's special revenue funds consist of the sales tax, street tax, fire tax, recreation tax and economic development funds.

Proprietary Fund Types - Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Town of Coushatta applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

Fiduciary Fund Types - These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, other units of governments, and/or other funds.

Agency Fund - is used to account for the collection of property taxes and the subsequent distribution to other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups - An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General fixed assets account group - This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

General long-term debt account group - This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in the proprietary funds.

C. General Fixed Assets and Long-term Debt

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at cost.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Property, plant, and equipment acquired for proprietary funds is capitalized in the respective funds to which it applies.

The proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity is included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. General Fixed Assets and Long-term Debt (Continued)

Depreciation of all exhaustible fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

	<u>Years</u>
Buildings	20
Wells	30
Transmission and Distribution Mains	20
Storage tanks	30
Pumping equipment	10-20
Meters	10-20
Hydrants	15-30
Power tools	3
Office furniture and equipment	5

D. Basis of Accounting

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

All governmental funds as well as the agency fund, are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes are recorded as revenue when levied because they are considered to be both measurable and available even though a portion of the taxes are collected in subsequent years.

Those revenues susceptible to accrual are ad valorem taxes, franchise taxes, interest revenue, intergovernmental revenues, and charges for services. Fines, permits, licenses, penalties and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for by using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources or uses. These other financing sources or uses are recognized at the time the underlying events occur.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control. Annual operating budgets are adopted each fiscal year and amended as required.

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Prior to November 1, the town clerk submits to the town council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of *financing them*.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for inspection. A public hearing is called.
3. A public hearing is held on the proposed budget at *least ten days after publication of the call for the hearing*.
4. The budget is legally enacted through passage of an ordinance.
5. The town clerk is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the town council.
6. All budgetary appropriations lapse at the end of the fiscal year.
7. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Town's procedures with respect to its budget are designed to meet the requirements of applicable Louisiana Revised Statutes. The Town prepares budgets for its General Fund and Special Revenue Funds on a basis consistent with generally accepted accounting principles.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town of Coushatta.

G. Cash and Cash Equivalents

Consistent with GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the Town defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Cash and Cash Equivalents (Continued)

Cash equivalents - all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

H. Investments

Investments, which consist of certificates of deposit, are stated at lower of cost or market. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

I. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

J. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

K. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables" and are recorded by all funds affected in the period in which transactions are executed.

L. Interest Receivable

Interest on investments and certain receivables are recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

M. Compensated Absences

Vacation earned is recorded as an expenditure of the governmental fund that it relates to when it is paid. Vacation leave of the enterprise fund is recorded as an expense and liability of that fund as the benefits accrue to employees. The cost of current leave privileges, computed in accordance with GASB Codification C 60, is recognized as a current year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group. Compensated absences associated with employees of the Enterprise Fund are recorded as a fund liability and operating expense.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes. Specific reservations of the fund balance accounts are summarized below.

Reserve for prepaids - This reserve was created to represent the portion of the fund balance that is not available for expenditures because the Town expects to use these resources within the next budgetary period.

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

O. Estimates

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

P. Comparative Data

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

Q. Total Columns on Combined Statements - Overview

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

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Louisiana Revised Statutes authorize the Town to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Deposits are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. Current fair market value of the capital stock of the Coushatta Industrial Development Corporation is not available.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

At December 31, 1999, the Town of Coushatta had cash and cash equivalents totaling \$300,791 as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Petty cash	\$ 200	\$ 0	\$ 300	\$ 0	\$ 500
Demand deposits	0	78,111	0	52,492	130,603
Interest-bearing demand deposits	24,161	10,654	133,660	1,213	169,688
Totals	<u>\$ 24,361</u>	<u>\$ 88,765</u>	<u>\$ 133,960</u>	<u>\$ 53,705</u>	<u>\$ 300,791</u>

The Town of Coushatta has investments totaling \$854,689 as of December 31, 1999. These investments consist of \$799,689 in certificates of deposit and \$55,000 in capital stock in the Coushatta Industrial Development Corporation.

Under state law, these deposits must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. At December 31, 1999, the Town had \$1,108,115 in bank deposits of which \$432,309 were secured by federal deposit insurance and \$1,254,620 (market value) of pledged securities held by the custodial banks in the name of the fiscal agent (GASB category 3).

Even though the pledged securities are considered collateralized under the provisions of GASB Statement 3, Louisiana Revised Statutes require the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Town of Coushatta that the pledging bank has failed to pay deposited funds upon demand.

NOTE 3 INTERFUND RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at December 31, 1999, is as follows:

	<u>Due From</u>	<u>Due To</u>
General fund	\$ 56,466	\$ 0
Street tax fund	6,620	0
Fire tax fund	6,620	0
Recreation tax fund	19,523	1,487
Agency fund/Property tax fund	0	85,335
Enterprise fund	0	2,407
Totals	<u>\$ 89,229</u>	<u>\$ 89,229</u>

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Property tax fund	\$ 52,572
General fund	Enterprise fund	2,407
General fund	Recreation fund	1,487
Street tax fund	Property tax fund	6,620
Fire tax fund	Property tax fund	6,620
Recreation tax fund	Property tax fund	19,523
Totals		<u>\$ 89,229</u>

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 4 AD VALOREM TAXES

The Town of Coushatta levies taxes on real and business personal property located within its boundaries. The Red River Parish Tax Assessor assesses the property values and prepares the Town's property tax roll. The Town bills and collects its own property taxes.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes levied on October 31, are payable upon receipt of notice. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation -3 and GASB Codification Section P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

For the year ended December 31, 1999, taxes of 11.99 mills were levied on property with assessed valuations totaling \$7,080,090 and were dedicated as follows:

General alimony	6.99 mills	Street improvements	1.00 mills
Fire department	1.00 mills	Recreation department	3.00 mills

Total taxes levied were \$84,890. At December 31, 1999, taxes receivable were \$31,630, net of estimated uncollectible taxes of \$136.

NOTE 5 DEDICATION OF PROCEEDS AND FLOW OF FUNDS

A. 1% Sales Tax

Proceeds of the 1% sales tax levied by the Town of Coushatta (1999 collections - \$328,270; 1998 collections - \$270,672) are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department and garbage collection and disposal facilities including the purchase of equipment therefor, or for any one or more of said purposes, title to which improvements shall be in the public.

B. 1.00 Mills Street Improvement Tax

Proceeds of the 1.00 mills street improvement tax (1999 revenue - \$7,080; 1998 revenue \$6,639) are dedicated to the following purpose:

Improvement and maintenance of streets.

C. 1.00 Mills Fire Department Tax

Proceeds of the 1.00 mills fire department tax (1999 revenue - \$7,080; 1998 revenue - \$6,639) are dedicated to the following purpose:

Paying and liquidating all maturing indebtedness and general operating expenses of Fire District No. 1.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 5 DEDICATION OF PROCEEDS AND FLOW OF FUNDS (CONTINUED)

D. 3.00 Mills Recreation Tax

Proceeds of the 3.00 mills recreation tax (1999 revenue - \$21,240; 1998 revenue - \$19,916) are dedicated to the following purpose:

Payment of maintenance and operating expenses of the public buildings and other works of permanent public improvements used for recreation purposes.

NOTE 6 CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$ 113,000	\$ 0	\$ 0	\$ 113,000
Buildings	532,320	0	0	532,320
Improvements other than buildings	514,171	0	0	514,171
Equipment, furniture & fixtures	204,690	6,151	3,000	207,841
Total General Fixed Assets	\$ 1,364,181	\$ 6,151	\$ 3,000	\$ 1,367,332

A summary of proprietary fund type property, plant and equipment at December 31, 1999 follows:

	Straight Line	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land	-	\$ 10,782	\$ 0	\$ 10,782	\$ 0
Buildings	20 yrs	74,497	(61,836)	12,661	3,863
Improvements other than buildings	20-30 yrs	1,062,612	(417,269)	645,343	43,496
Equipment	3-30 yrs	241,868	(225,887)	15,981	6,729
Furniture and fixtures	5 yrs	23,511	(23,158)	353	227
Totals		\$ 1,413,270	\$ (728,150)	\$ 685,120	\$ 54,315

	Cost	Accumulated Depreciation	Net
Changes during the year			
Balance, Beginning of year	\$ 1,413,270	\$ (673,835)	\$ 739,435
Additions			
Furniture and fixtures	0	0	0
Depreciation	0	(54,315)	(54,315)
Balance, End of year	\$ 1,413,270	\$ (728,150)	\$ 685,120

NOTE 7 COMPENSATED ABSENCES

At December 31, 1999, employees of the Town of Coushatta, Louisiana have accumulated and vested \$8,819 of employee leave benefits, which were computed in accordance with GASB Codification Section C 60. \$4,982 is recorded within the General Long-Term Debt Account Group and \$3,837 is recorded as a liability within the Enterprise Fund.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 7 COMPENSATED ABSENCES (CONTINUED)

The following is a summary of changes in accumulated unpaid vacation of the Town for the year ended December 31, 1999:

Accumulated Unpaid Vacation, December 31, 1998	\$ 7,677
Increase/(Decrease) in Unpaid Vacation	<u> 1,142</u>
Accumulated Unpaid Vacation, December 31, 1999	<u>\$ 8,819</u>

NOTE 8 LONG-TERM DEBT

The following is a summary of other long-term debt transactions of the Town for the year ended December 31, 1999:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Economic Development loan	4.00%	2008	\$ 217,000	\$ 198,591
Bank of Coushatta loan	6.00%	2003	<u> 50,000</u>	<u> 41,130</u>
Total			<u>\$ 267,000</u>	<u>\$ 239,721</u>

The annual requirements to amortize the outstanding loans as of December 31, 1999, including interest payments are as follows:

<u>Year Ending December 31,</u>	<u>Economic Development</u>	<u>Bank of Coushatta</u>	<u>Total</u>
2000	\$ 26,754	\$ 11,870	\$ 38,624
2001	26,754	11,870	38,624
2002	26,754	11,870	38,624
2003	26,754	11,870	38,624
2004	26,754	0	26,754
Thereafter	<u>107,016</u>	<u>0</u>	<u>107,016</u>
Total	<u>\$ 240,786</u>	<u>\$ 47,480</u>	<u>\$ 288,266</u>

NOTE 9 RETIREMENT COMMITMENTS

The Town participates in two cost-sharing multiple employer statewide retirement systems (PERS) for its employees. Each retirement system is administered and controlled by a separate board of trustees.

Following is a brief description of each retirement system in which the Town participates:

A. Louisiana Municipal Employees' Retirement System

The Louisiana Municipal Employees' Retirement System was established by Act 356 of the 1954 Legislature to provide retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and elect to become members of the System.

Membership is mandatory as a condition of employment if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system, and under age sixty (60) at the date of employment. Those individuals paid jointly by the participating employer and the parish are not eligible for

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Louisiana Municipal Employees' Retirement System (Continued)

membership in the System.

The System has two retirement plans available for its members; Plan "A" and Plan "B". Plan "A" combines the original plan and the supplemental plan for those members, participating in both plans, while Plan "B" is available for those members, participating in only the original plan. These plans have different contribution rates and provide different retirement benefits. All employees of the Town of Coushatta, Louisiana, who participate in this System are covered by Plan "A". Any member of Plan "A" can retire providing he meets one of the following criteria:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Under age 60 and five (5) years of creditable service and eligible for disability benefits.
5. Survivor's benefits require five (5) years creditable service at death of member.

Generally, the monthly retirement allowance for any member of Plan "A" shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Upon the death of any member of Plan "A" with five (5) or more years of creditable service, who is not eligible for retirement, benefits are provided for the surviving spouse and minor children as outlined in the statutes. The surviving spouse of an employee eligible for normal retirement at the time of death shall receive benefits for life.

A member of Plan "A" with five (5) years of creditable service is eligible for disability benefits. A disabled member receives a normal retirement allowance if eligible or, if age sixty, receives a benefit based on years of creditable service without regard to the minimum service requirement. If the member is under age sixty and is not eligible for a normal retirement allowance, he receives a disability benefit consisting of an amount equal to three percent of his final compensation multiplied by his years of creditable service projected to his earliest normal retirement age not to exceed sixty percent of his final compensation. Disability benefits are converted to a normal retirement allowance upon the member's attainment of his earliest normal retirement age based on his final compensation and creditable service.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing or calling the Louisiana Municipal Employees' Retirement System.

Plan members are required by state statute to contribute 9.25% of earnable compensation for Plan A. Employer contributions for the year were 5.75% of members' earnings, for Plan A as set by the Public Retirement Systems' Actuarial Committee. The employees' contributions are deducted from the employees' salaries and are remitted by the Town on a quarterly basis. The Town of Coushatta's contributions to the System for the year ended December 31, 1999, was \$11,153, equal to the required contributions for the year.

B. Municipal Police Employees' Retirement System

The Municipal Police Employees Retirement System was established by Act 189 of 1973 to provide retirement benefits to employees of any municipality in the State which employs a full-time police officer, empowered to make arrests, or

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

B. Municipal Police Employees' Retirement System

which has an elected Chief of Police whose salary is at least \$100 per month.

Eligible employees include any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$ per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$ per month. City or Ward Marshals, elected Councilmen and Mayors are excluded from membership. Persons who were members on September 7, 1977, must remain members of the System and persons hired on or after that date must become members of the System as a condition of employment if they are under age 50 and are not covered by the Social Security System.

All full-time police officers of the Town of Coushatta, Louisiana, are eligible to participate in this System. Benefit provisions are authorized within Act 189 of 1973 & amended by LRS 11:2211-11:2233.

Employees attaining the age of 50 completing 20 or more years of service, or the age of 55 and completing 12 years of service, are entitled to a yearly benefit of 3 1/3% of their average final compensation, as defined in the plan, times years of creditable service. Active employees who become disabled after 1985 due to total and permanent disability, with at least 5 years of creditable service, receive a benefit of 3% of average final compensation multiplied by the years of creditable service, but not less than 40% nor more than 60% of average final compensation. Upon reaching retirement age, disability pensioners receive the greater of disability benefits or accrued benefits earned to date of disability. Prior to the enactment of Act 81 of 1985, other disability rules may be applicable as described in the plan. The system also provides for death benefits as described in the plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing or calling the Louisiana Municipal Police Employees' Retirement System.

Plan members are required by state statute to contribute 7.5% of earnable compensation. Employer contributions for the current year are 9.0% of covered employees' earnable compensation excluding overtime but including state supplemental pay. The employees' contributions are deducted from the employees' salaries and are remitted by the Town on a monthly basis. The Town of Coushatta's contributions to the System for the year ended December 31, 1999, was \$12,510, equal to the required contribution for the year.

NOTE 10 LEASE OBLIGATIONS

The Town of Coushatta was not obligated under any capital or operating lease commitments at December 31, 1999.

NOTE 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 12 LITIGATION

The Town is currently a defendant in one lawsuit. Although the outcome of this lawsuit is not determinable at this stage of the proceedings, the potential losses not covered by applicable insurance is not considered to be significant in relation to the Town's overall financial condition.

NOTE 13 CLAIMS AND JUDGMENTS

The Town participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. The Town believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Town.

NOTE 14 FUND DEFICIT

The Enterprise fund (Utility fund) of the Town of Coushatta has a deficit in the unreserved fund balance of \$266,881 at December 31, 1999. Combining contributed capital with the deficit in the unreserved fund balance results in total fund equity of \$932,193.

Management plans to eliminate the deficit in the unreserved fund balance through a combination of actions:

- 1) Management has implemented strict cost control procedures to reduce expenses.
- 2) Management implemented a rate increase during 1998 and will consider further increases as necessary.

Management feels that these actions will relieve the existing deficit in the Enterprise fund.

NOTE 15 YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations. The Town has completed an inventory of its computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conduct Town operations and has identified such systems as being financial reporting, payroll, and utility system. All three systems have been assessed, remediated, tested and validated.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be year 2000 ready, that the Town's remediation effort will be successful in whole or in part, or that parties with whom the Town does business will be year 2000 ready.

SUPPLEMENTAL INFORMATION SCHEDULES

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Sales Tax Fund

To account for the revenues and expenditures of the sales tax fund. Proceeds of the 1% sales tax are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, payment of salaries of municipal employes, maintaining and operating the municipal police department and garbage collection and disposal facilities including the purchase of equipment therefor, or for any one or more said purposes, title to which improvements shall be in the public.

Street Tax Fund

To account for the receipt and subsequent expenditure of proceeds of the Town's 1.00 mills street improvement tax, dedicated to the improvement and maintenance of Town streets.

Fire Tax Fund

To account for the receipt and subsequent expenditure of proceeds of the Town's 1.00 mills fire department tax, dedicated to the payment of all maturing indebtedness and general operating expenses of the Fire Department District No. 1 of the Town.

Recreation Tax Fund

To account for the receipt and subsequent expenditure of proceeds of the Town's 3.00 mills recreation tax, dedicated to payment of the maintenance and operating expenses of the public buildings and other works of permanent public improvements used for recreation purposes in the Town.

Economic Development Fund

To account for the receipts and expenditures of an economic development grant to fund a revolving loan program for the purpose of aiding and benefitting economic development and job creation in Red River Parish.

SCHEDULE I

TOWN OF COUSHATTA, LOUISIANA
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1999

	Sales Tax	Street Tax	Fire Tax	Recreation Tax	Economic Development	Totals	
						1999	1998
ASSETS							
Cash and cash equivalents	\$ 45,511	\$ 2,600	\$ 2,266	\$ 8,388	\$ 30,000	\$ 88,765	\$ 810,427
Investments	94,415	0	45,630	27,373	472,613	640,031	176,677
Notes receivable	0	0	0	0	185,000	185,000	0
Accrued interest receivable	56	0	111	101	687	955	271
Due from property tax fund	0	6,620	6,620	19,523	0	32,763	16,261
Due from other governmental units	38,872	0	0	0	0	38,872	21,613
Total Assets	\$ 178,854	\$ 9,220	\$ 54,627	\$ 55,385	\$ 688,300	\$ 986,386	\$ 1,025,249
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 1,197	\$ 0	\$ 0	\$ 476	\$ 10,380	\$ 12,053	\$ 2,429
Due to General Fund	0	0	0	1,487	0	1,487	0
Total Liabilities	1,197	0	0	1,963	10,380	13,540	2,429
Fund balances							
Unreserved	177,657	9,220	54,627	53,422	677,920	972,846	1,022,820
Total Liabilities and Fund Balances	\$ 178,854	\$ 9,220	\$ 54,627	\$ 55,385	\$ 688,300	\$ 986,386	\$ 1,025,249

The notes to the financial statements are an integral part of this statement.

SCHEDULE 2

TOWN OF COUSHATTA, LOUISIANA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 1999

	Sales Tax	Street Tax	Fire Tax	Recreation Tax	Economic Development	Totals	
						1999	1998
REVENUES							
Taxes							
Ad valorem taxes	\$ 0	\$ 7,080	\$ 7,080	\$ 21,240	\$ 0	\$ 35,400	\$ 33,194
Sales taxes	328,270	0	0	0	0	328,270	270,672
Grants	0	0	0	0	0	0	780,000
Interest income	3,021	0	2,294	1,971	25,055	32,341	8,743
Miscellaneous	0	0	0	4,035	0	4,035	2,618
Total Revenues	331,291	7,080	9,374	27,246	25,055	400,046	1,095,227
EXPENDITURES							
General government	720	0	0	0	100,381	101,101	10,607
Public safety	0	0	11,979	0	0	11,979	7,200
Highways and street	0	3,243	0	0	0	3,243	5,552
Culture and recreation	0	0	0	26,080	0	26,080	19,535
Debit service	0	0	0	0	26,754	26,754	0
Total Expenditures	720	3,243	11,979	26,080	127,135	169,157	42,894
Excess of Revenues over/(under) Expenditures	330,571	3,837	(2,605)	1,166	(102,080)	230,889	1,052,333
OTHER FINANCING SOURCES/(USES)							
Operating transfers in/(out)	(280,863)	0	0	0	0	(280,863)	(272,827)
Excess of revenues and other financing sources over/(under) expenditures and other financing uses	49,708	3,837	(2,605)	1,166	(102,080)	(49,974)	779,506
FUND BALANCES, Beginning of year	127,949	5,383	57,232	52,256	780,000	1,022,820	243,314
FUND BALANCES, End of year	\$ 177,657	\$ 9,220	\$ 54,627	\$ 53,422	\$ 677,920	\$ 972,846	\$ 1,022,820

The notes to the financial statements are an integral part of this statement.

SCHEDULE 3

TOWN OF COUSHATTA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1999

	Sales Tax Fund			Street Tax Fund		
	Budget	Actual	Variance Fav./(Unfav.)	Budget	Actual	Variance Fav./(Unfav.)
REVENUES						
Taxes						
Ad valorem taxes	\$ 0	\$ 0	\$ 0	\$ 7,000	\$ 7,080	\$ 80
Sales taxes	320,000	328,270	8,270	0	0	0
Interest income	2,000	3,021	1,021	0	0	0
Miscellaneous	0	0	0	0	0	0
Total Revenues	322,000	331,291	9,291	7,000	7,080	80
EXPENDITURES						
General government	127	720	(593)	0	0	0
Public safety	0	0	0	0	0	0
Highways and street	0	0	0	4,110	3,243	867
Culture and recreation	0	0	0	0	0	0
Debit service	0	0	0	0	0	0
Total Expenditures	127	720	(593)	4,110	3,243	867
Excess of revenues over/ (under) expenditures	321,873	330,571	8,698	2,890	3,837	947
OTHER FINANCING SOURCES/(USES)						
Operating transfers in/(out)	(276,000)	(280,863)	(4,863)	0	0	0
Excess of revenues and other financing sources over/(under) expenditures and other financing uses	45,873	49,708	3,835	2,890	3,837	947
FUND BALANCES, Beginning of year	127,949	127,949	0	5,383	5,383	0
FUND BALANCES, End of year	\$ 173,822	\$ 177,657	\$ 3,835	\$ 8,273	\$ 9,220	\$ 947

The notes to the financial statements are an integral part of this statement.

SCHEDULE 3

TOWN OF COUSHATTA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 1999

	Fire Tax Fund			Recreation Tax Fund			Variance Fav./Unfav.)
	Budget	Actual	Variance Fav./Unfav.)	Budget	Actual	Variance Fav./Unfav.)	
REVENUES							
Taxes							
Ad valorem taxes	\$ 7,000	\$ 7,080	\$ 80	\$ 19,000	\$ 21,240	\$ 2,240	
Sales taxes	0	0	0	0	0	0	
Interest income	550	2,294	1,744	1,035	1,971	936	
Miscellaneous	400	0	(400)	4,035	4,035	0	
Total Revenues	7,950	9,374	1,424	24,070	27,246	3,176	
EXPENDITURES							
General government	0	0	0	0	0	0	
Public safety	12,000	11,979	21	0	0	0	
Highways and street	0	0	0	0	0	0	
Culture and recreation	0	0	0	24,337	26,080	(1,743)	
Debit service	0	0	0	0	0	0	
Total Expenditures	12,000	11,979	21	24,337	26,080	(1,743)	
Excess of revenues over/(under) expenditures	(4,050)	(2,605)	1,445	(267)	1,166	1,433	
OTHER FINANCING SOURCES/(USES)							
Operating transfers in/(out)	0	0	0	0	0	0	
Excess of revenues and other financing sources over/(under) expenditures and other financing uses	(4,050)	(2,605)	1,445	(267)	1,166	1,433	
FUND BALANCES, Beginning of year	57,232	57,232	0	52,256	52,256	0	
FUND BALANCES, End of year	\$ 53,182	\$ 54,627	\$ 1,445	\$ 51,989	\$ 53,422	\$ 1,433	

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 1999

	<u>Economic Development Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Fav./ (Unfav.)</u>
REVENUES			
Taxes			
Ad valorem taxes	\$ 0	\$ 0	\$ 0
Sales taxes	0	0	0
Interest income	25,000	25,055	55
Miscellaneous	0	0	0
Total Revenues	<u>25,000</u>	<u>25,055</u>	<u>55</u>
EXPENDITURES			
General government	100,000	100,381	(381)
Public safety	0	0	0
Highways and street	0	0	0
Culture and recreation	0	0	0
Debit service	26,754	26,754	0
Total Expenditures	<u>126,754</u>	<u>127,135</u>	<u>(381)</u>
Excess of revenues over/(under) expenditures	(101,754)	(102,080)	(326)
OTHER FINANCING SOURCES/(USES)			
Operating transfers in/(out)	0	0	0
Excess of revenues and other financing sources over/(under) expenditures and other financing uses	(101,754)	(102,080)	(326)
FUND BALANCES, Beginning of year	<u>780,000</u>	<u>780,000</u>	<u>0</u>
FUND BALANCES, End of year	<u>\$ 678,246</u>	<u>\$ 677,920</u>	<u>\$ (326)</u>

The notes to the financial statements are an integral part of this statement.

AGENCY FUND

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Property Tax Fund

This fund is used to account for the collection and distribution of property taxes to other funds.

SCHEDULE 4

TOWN OF COUSHATTA, LOUISIANA
AGENCY FUND
PROPERTY TAX FUND
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 1999 AND 1998

	1999	1998
ASSETS		
Cash and cash equivalents	\$ 53,705	\$ 17,169
Taxes receivable - ad valorem (net of estimated uncollectible taxes of \$136 and \$82 in 1999 and 1998, respectively)	31,630	28,591
Total Assets	\$ 85,335	\$ 45,760
LIABILITIES		
Due to other funds		
General fund	\$ 52,572	\$ 29,499
Street tax fund	6,620	3,319
Fire tax fund	6,620	3,319
Recreation tax fund	19,523	9,623
Total Liabilities	\$ 85,335	\$ 45,760

SCHEDULE 5

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 1999

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
ASSETS				
Cash and cash equivalents	\$ 17,169	\$ 81,798	\$ 45,262	\$ 53,705
Taxes receivable Ad valorem, net	28,591	84,890	81,851	31,630
Total Assets	\$ 45,760	\$ 166,688	\$ 127,113	\$ 85,335
LIABILITIES				
Due to other funds				
General fund	\$ 29,499	\$ 49,490	\$ 26,417	\$ 52,572
Street tax fund	3,319	7,080	3,779	6,620
Fire tax fund	3,319	7,080	3,779	6,620
Recreation tax fund	9,623	21,240	11,340	19,523
Total Liabilities	\$ 45,760	\$ 84,890	\$ 45,315	\$ 85,335

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF EXPENDITURES - ALL GOVERNMENTAL
FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

EXPENDITURES

General government	\$	1,419
Advertising		3,032
Building inspector		937
Capital outlay		3,561
Contractual services		1,668
Dues and subscriptions		37,292
Insurance		13,520
Insurance - employee		273
Miscellaneous		79
Printing		14,009
Professional services		933
Rentals		6,809
Repairs and maintenance		5,283
Retirement		91,880
Salaries		17,163
Sunbeam-utilities		9,743
Supplies		2,349
Taxes		2,757
Telephone and communications		3,194
Travel		3,190
Utilities		<u>3,190</u>
Total General Government		219,091
Public safety		2,790
Capital outlay		18,098
Contractual services		849
Criminal justice institute, CMIS		1,381
Drug task force		155
Dues and subscriptions		6,369
Insurance		8,258
Insurance - employee		17
Miscellaneous		1,508
Professional services		5,004
Repairs and maintenance		12,510
Retirement		128,647
Salaries		7,460
Supplies		293
Telephone and communications		1,079
Training		7,074
Travel		<u>7,074</u>
Total Public Safety	\$	201,492

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF EXPENDITURES - ALL GOVERNMENTAL
FUND TYPES - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

EXPENDITURES (CONTINUED)

Public works	\$	1,825
Capital outlay		50
Contractual services		1,799
Dues and subscriptions		1,032
Insurance		1,445
Insurance - employee		6,581
Professional services		650
Rentals		5,439
Repairs and maintenance		1,515
Retirement		38,216
Salaries		1,771
Supplies		37
Telephone and communications		1,908
Travel		3,826
Utilities		<u>3,826</u>
Total Public Works		66,094
Sanitation department		53
Advertising		599
Capital outlay		75,992
Contractual services		135
Dues and subscriptions		7,019
Insurance		7,432
Insurance - employee		51
Miscellaneous		721
Professional services		131
Rentals		8,727
Repairs and maintenance		4,355
Retirement		86,764
Salaries		8,981
Supplies		3,404
Travel		20,817
Utilities		<u>20,817</u>
Total Sanitation Department		225,181
Debit service		8,870
Principal		3,000
Interest		<u>3,000</u>
Total Debit Service		<u>11,870</u>
TOTAL EXPENDITURES	\$	<u><u>723,728</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MEMBERS OF THE TOWN COUNCIL
YEAR ENDED JULY 31, 1999

<u>Members</u>	<u>Number of Meetings Attended</u>	<u>Compensation</u>
Rose Byrd	19	\$ 3,600
Ben R. Jowers	21	3,600
H. D. Lafield	21	3,600
James R. Lindsey	20	3,600
James Nettles	15	3,600
		<u>\$ 18,000</u>

Compensation Paid Board Members

The schedule of compensation paid to the members of the Town Council of the Town of Coushatta, Louisiana, is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Councilmen is included in the general government expenditures of the general fund.

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1926-1999

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

Honorable Archie Worsham, Mayor
and Members of the Town Council
P. O. Box 531
Coushatta, Louisiana 71019

We have audited the general purpose financial statements of the Town of Coushatta, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated February 4, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the management of the Town of Coushatta and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana

February 4, 2000

TOWN OF COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
1	12/31/98	The bank deposit balances of the Town of Coushatta exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.	Yes	This finding was resolved.

TOWN OF COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.