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**TOWN OF ELTON, LOUISIANA**

**Financial Report**

**Year Ended December 31, 2003**

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

Release Date 7-21-04

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## INDEPENDENT AUDITORS' REPORT

\* A Professional Accounting Corporation

The Honorable Catherine Hollingsworth, Mayor  
and Members of the Board of Aldermen  
Town of Elton, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elton, Louisiana, as of and for the year ended December 31, 2003, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations". 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elton, Louisiana as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 37, Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the financial statements.

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In accordance with Government Auditing Standards, we have also issued a report dated May 4, 2004 on our consideration of the Town of Elton, Louisiana's internal control over financial reporting and our tests on certain provisions of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 38 through 39 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Town of Elton has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Elton Louisiana's basic financial statements. The other supplementary information on pages 42 through 75 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (page 70) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the Town of Elton, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

Oberlin, Louisiana  
May 4, 2004

**BASIC FINANCIAL STATEMENTS**

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



TOWN OF ELTON, LOUISIANA

Statement of Net Assets  
December 31, 2003

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                                   |                                    |                                     |                     |
| <b>Current assets:</b>                          |                                    |                                     |                     |
| Cash and interest-bearing deposits              | \$ 1,162,424                       | \$ 82,540                           | \$ 1,244,964        |
| Receivables, net                                | 24,733                             | 22,604                              | 47,337              |
| Internal balances                               | 696                                | (696)                               | -                   |
| Due from other governmental units               | <u>183,979</u>                     | <u>-</u>                            | <u>183,979</u>      |
| <b>Total current assets</b>                     | <u>1,371,832</u>                   | <u>104,448</u>                      | <u>1,476,280</u>    |
| <b>Noncurrent assets:</b>                       |                                    |                                     |                     |
| <b>Restricted assets:</b>                       |                                    |                                     |                     |
| Cash and interest-bearing deposits              | -                                  | 123,215                             | 123,215             |
| Capital assets, net                             | <u>1,270,072</u>                   | <u>2,305,868</u>                    | <u>3,575,940</u>    |
| <b>Total noncurrent assets</b>                  | <u>1,270,072</u>                   | <u>2,429,083</u>                    | <u>3,699,155</u>    |
| <b>Total assets</b>                             | <u>2,641,904</u>                   | <u>2,533,531</u>                    | <u>5,175,435</u>    |
| <b>LIABILITIES</b>                              |                                    |                                     |                     |
| <b>Current liabilities:</b>                     |                                    |                                     |                     |
| Accounts and other payables                     | 86,007                             | 9,502                               | 95,509              |
| Due to other governmental units                 | 30,604                             | 2,313                               | 32,917              |
| Bonds payable                                   | 111,000                            | 26,000                              | 137,000             |
| Accrued interest                                | <u>22,202</u>                      | <u>508</u>                          | <u>22,710</u>       |
| <b>Total current liabilities</b>                | <u>249,813</u>                     | <u>38,323</u>                       | <u>288,136</u>      |
| <b>Noncurrent liabilities:</b>                  |                                    |                                     |                     |
| Customers' deposits payable                     | -                                  | 34,606                              | 34,606              |
| Bonds payable                                   | <u>948,000</u>                     | <u>27,000</u>                       | <u>975,000</u>      |
| <b>Total noncurrent liabilities</b>             | <u>948,000</u>                     | <u>61,606</u>                       | <u>1,009,606</u>    |
| <b>Total liabilities</b>                        | <u>1,197,813</u>                   | <u>99,929</u>                       | <u>1,297,742</u>    |
| <b>NET ASSETS</b>                               |                                    |                                     |                     |
| Invested in capital assets, net of related debt | 211,072                            | 2,278,868                           | 2,489,940           |
| Restricted for debt service                     | 565,171                            | 62,101                              | 627,272             |
| Unrestricted                                    | <u>667,848</u>                     | <u>92,633</u>                       | <u>760,481</u>      |
| <b>Total net assets</b>                         | <u>\$ 1,444,091</u>                | <u>\$ 2,433,602</u>                 | <u>\$ 3,877,693</u> |

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

TOWN OF ELTON, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2003

|  | Expenses           | Program Revenues                      |                                    |                                  | Net (Expense) Revenues and Changes in Net Assets |                          |                    |
|--|--------------------|---------------------------------------|------------------------------------|----------------------------------|--|--------------------------|--------------------|
|  |                    | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                          | Business-Type Activities | Total              |
| <b>Governmental activities:</b>                                |                    |                                       |                                    |                                  |  |                          |                    |
| General government   | \$ 183,663         | \$ 29,817                             | \$ -                               | \$ -                             | \$ (153,846)                                     | \$ -                     | \$ (153,846)       |
| Public safety:   |                    |                                       |                                    |                                  |  |                          |                    |
| Police   | 188,566            | 42,846                                | 18,399                             | 1,836                            | (125,485)  | -                        | (125,485)          |
| Fire   | 43,784             | -                                     | 43,784                             | -                                | -  | -                        | -                  |
| Highways and streets   | 105,210            | -                                     | 7,832                              | -                                | (97,378)   | -                        | (97,378)           |
| Housing rehabilitation   | 333,050            | -                                     | -                                  | 333,050                          | -  | -                        | -                  |
| Parks and recreation   | 7,132              | -                                     | -                                  | -                                | (7,132)  | -                        | (7,132)            |
| Education  | 102,162            | -                                     | 102,162                            | -                                | -  | -                        | -                  |
| Animal control   | 6,965              | -                                     | -                                  | -                                | (6,965)  | -                        | (6,965)            |
| Interest on long-term debt                                     | 47,469             | -                                     | -                                  | -                                | (47,469)   | -                        | (47,469)           |
| Total governmental activities                                  | <u>1,018,001</u>   | <u>72,663</u>                         | <u>172,177</u>                     | <u>334,886</u>                   | <u>(438,275)</u>                                 | <u>-</u>                 | <u>(438,275)</u>   |
| <b>Business-type activities:</b>                               |                    |                                       |                                    |                                  |  |                          |                    |
| Water  | 137,027            | 116,896                               | 5,925                              | -                                | -  | (14,206)                 | (14,206)           |
| Sewer  | 121,908            | 89,481                                | -                                  | -                                | -  | (32,427)                 | (32,427)           |
| Sanitation   | 66,109             | 60,698                                | -                                  | -                                | -  | (5,411)                  | (5,411)            |
| Total business-type activities                                 | <u>325,044</u>     | <u>267,075</u>                        | <u>5,925</u>                       | <u>-</u>                         | <u>(52,044)</u>                                  | <u>(52,044)</u>          | <u>(52,044)</u>    |
| <b>Total</b>   | <u>\$1,343,045</u> | <u>\$ 339,738</u>                     | <u>\$ 178,102</u>                  | <u>\$334,886</u>                 | <u>(438,275)</u>                                 | <u>(52,044)</u>          | <u>(490,319)</u>   |
| <b>General revenues:</b>                                       |                    |                                       |                                    |                                  |  |                          |                    |
| Taxes -  |                    |                                       |                                    |                                  |  |                          |                    |
| Property taxes, levied for general purposes                    |                    |                                       |                                    |                                  | 47,344   | -                        | 47,344             |
| Sales and use taxes, levied for general purposes               |                    |                                       |                                    |                                  | 152,756  | -                        | 152,756            |
| Franchise taxes  |                    |                                       |                                    |                                  | 60,506   | -                        | 60,506             |
| Grants and contributions not restricted to specific programs - |                    |                                       |                                    |                                  |  |                          |                    |
| State sources  |                    |                                       |                                    |                                  | 24,560   | -                        | 24,560             |
| Community grant revenue  |                    |                                       |                                    |                                  | 583,783  | -                        | 583,783            |
| Interest and investment earnings                               |                    |                                       |                                    |                                  | 7,160  | 2,203                    | 9,363              |
| Miscellaneous  |                    |                                       |                                    |                                  | 21,838   | 7,359                    | 29,197             |
| Transfers  |                    |                                       |                                    |                                  | (22,507)   | 22,507                   | -                  |
| Total general revenues and transfers                           |                    |                                       |                                    |                                  | <u>875,440</u>                                   | <u>32,069</u>            | <u>907,509</u>     |
| Change in net assets   |                    |                                       |                                    |                                  | 437,165  | (19,975)                 | 417,190            |
| Net assets - January 1, 2003                                   |                    |                                       |                                    |                                  | <u>1,006,926</u>                                 | <u>2,453,577</u>         | <u>3,460,503</u>   |
| Net assets - December 31, 2003                                 |                    |                                       |                                    |                                  | <u>\$1,444,091</u>                               | <u>\$2,433,602</u>       | <u>\$3,877,693</u> |

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Fund**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

### **Coushatta Tribe Community Grant Fund**

To assist in the construction, maintenance and repair of Elton public schools and to assist with the purchase of books, equipment and supplies to further the educational needs of students attending Elton public schools; to provide fire protection to the reservation of the Coushatta Tribe of Louisiana; to assist in the furnishing of municipal police services; to assist in the construction, maintenance and repair of municipal infrastructure and housing.

### **Debt Service Fund**

Debt service funds are used to accumulate resources to be used to make debt service principal and interest payments on general obligation long-term debt.

### **Certificates of Indebtedness, Series 2002**

To accumulate monies for payment of the 2002 \$800,000 Certificates of Indebtedness. Debt service is financed by the Coushatta Community Grant Fund.

### **Capital Projects Funds**

Capital projects funds are used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

### **Drainage Improvements Fund**

To account for the \$800,000 proceeds from the 2002 Certificates of Indebtedness to be used for drainage improvements.

### **Louisiana Community Development Block Grant Fund (LCDBG)**

To account for the administration of grant funds received from the State of Louisiana Division of Administration for housing rehabilitation.

### **Enterprise Fund**

#### **Utility Fund**

To account for the provision of water, sewer, and sanitation (garbage) services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

TOWN OF ELTON, LOUISIANA

Balance Sheet - Governmental Funds

December 31, 2003

With Comparative Totals for December 31, 2002

|                                    | Coushatta Tribe Community Grant |                 | 2002 Certificates of Indebtedness | Drainage Improvements | Community Development Block Grant | Nonmajor Funds | Totals       |              |
|------------------------------------|---------------------------------|-----------------|-----------------------------------|-----------------------|-----------------------------------|----------------|--------------|--------------|
|                                    | General                         | Community Grant |                                   |                       |                                   |                | 2003         | 2002         |
| <b>ASSETS</b>                      |                                 |                 |                                   |                       |                                   |                |              |              |
| Cash                               | \$ 10,263                       | \$ -            | \$ 78,733                         | \$ -                  | \$ -                              | \$ 105,995     | \$ 194,991   | \$ 107,757   |
| Interest-bearing deposits          | -                               | 171,073         | 413,800                           | 316,109               | -                                 | 66,451         | 967,433      | 1,208,095    |
| Receivables -                      |                                 |                 |                                   |                       |                                   |                |              |              |
| Taxes                              | 4,888                           | -               | -                                 | -                     | -                                 | 19,845         | 24,733       | 21,637       |
| Due from other funds               | 10,550                          | -               | -                                 | 9,377                 | -                                 | 8,228          | 28,155       | 18,301       |
| Due from other governmental units  | 1,547                           | 182,432         | -                                 | -                     | -                                 | -              | 183,979      | 162,497      |
| Total assets                       | \$ 27,248                       | \$ 353,505      | \$ 492,533                        | \$ 325,486            | \$ -                              | \$ 200,519     | \$ 1,399,291 | \$ 1,518,287 |
| <b>LIABILITIES AND FUND EQUITY</b> |                                 |                 |                                   |                       |                                   |                |              |              |
| Liabilities:                       |                                 |                 |                                   |                       |                                   |                |              |              |
| Accounts payable                   | \$ 9,605                        | \$ -            | \$ -                              | \$ -                  | \$ -                              | \$ -           | \$ 9,605     | \$ 28,831    |
| Contracts payable                  | -                               | -               | -                                 | 28,185                | -                                 | -              | 28,185       | -            |
| Retainage payable                  | -                               | -               | -                                 | 47,438                | -                                 | -              | 47,438       | -            |
| Accrued liabilities                | 779                             | -               | -                                 | -                     | -                                 | -              | 779          | -            |
| Due to other funds                 | 8,228                           | 9,854           | 9,377                             | -                     | -                                 | -              | 27,459       | 17,605       |
| Due to other governments           | -                               | 30,604          | -                                 | -                     | -                                 | -              | 30,604       | 21,590       |
| Total liabilities                  | 18,612                          | 40,458          | 9,377                             | 75,623                | -                                 | -              | 144,070      | 68,026       |
| Fund balances -                    |                                 |                 |                                   |                       |                                   |                |              |              |
| Reserved for debt service          | -                               | -               | 483,156                           | -                     | -                                 | 104,217        | 587,373      | 295,302      |
| Designated for street improvements | -                               | -               | -                                 | 249,863               | -                                 | 57,442         | 307,305      | 830,626      |
| Unreserved, undesignated           | 8,636                           | 313,047         | -                                 | -                     | -                                 | 38,860         | 360,543      | 324,333      |
| Total fund balances                | 8,636                           | 313,047         | 483,156                           | 249,863               | -                                 | 200,519        | 1,255,221    | 1,450,261    |
| Total liabilities and fund equity  | \$ 27,248                       | \$ 353,505      | \$ 492,533                        | \$ 325,486            | \$ -                              | \$ 200,519     | \$ 1,399,291 | \$ 1,518,287 |

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

TOWN OF ELTON, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
December 31, 2003

|  |                 |                     |
|--|-----------------|---------------------|
| Total fund balances for governmental funds at December 31, 2003  |                 | \$ 1,255,221        |
| Total net assets reported for governmental activities in the statement of net assets is different because:   |                 |                     |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: |                 |                     |
| Land   | \$ 77,858       |                     |
| Buildings and improvements, net of \$253,827 accumulated depreciation  | 121,054         |                     |
| Infrastructure, net of \$264,583 accumulated depreciation  | 874,245         |                     |
| Equipment, furniture, and fixtures net of \$123,474 accumulated depreciation   | <u>196,915</u>  | 1,270,072           |
| Long-term liabilities at December 31, 2003:  |                 |                     |
| Bonds payable  | (1,059,000)     |                     |
| Accrued interest payable   | <u>(22,202)</u> | <u>(1,081,202)</u>  |
| Total net assets of governmental activities at December 31, 2003   |                 | <u>\$ 1,444,091</u> |

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

TOWN OF ELTON, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds

Year Ended December 31, 2003

With Comparative Totals for the Year Ended December 31, 2002

|   | General          | Coushatta<br>Tribe<br>Community<br>Grant | 2002<br>Certificates<br>of<br>Indebtedness | Drainage<br>Improvements | Community<br>Development<br>Block<br>Grant | Nonmajor<br>Funds | Totals              |                     |
|---|------------------|--|--|--------------------------|--|-------------------|---------------------|---------------------|
|   |                  |  |  |                          |  |                   | 2003                | 2002                |
| <b>Revenues:</b>  |                  |  |  |                          |  |                   |                     |                     |
| Taxes   | \$ 81,032        | \$ -                                     | \$ -                                       | \$ -                     | \$ -                                       | \$ 179,574        | \$ 260,606          | \$ 244,104          |
| Licenses and permits  | 29,817           | -  | -  | -                        | -  | -                 | 29,817              | 39,542              |
| Intergovernmental   | 56,527           | -  | -  | -                        | 333,050                                    | -                 | 389,577             | 149,797             |
| Community grant revenue   | -                | 729,729                                  | -  | -                        | -  | -                 | 729,729             | 764,295             |
| Fines and forfeits  | 42,846           | -  | -  | -                        | -  | -                 | 42,846              | 45,624              |
| Miscellaneous   | 18,113           | 2,968                                    | -  | 3,419                    | -  | 598               | 25,098              | 33,718              |
| <b>Total revenues</b>   | <b>228,335</b>   | <b>732,697</b>                           | <b>-</b>                                   | <b>3,419</b>             | <b>333,050</b>                             | <b>180,172</b>    | <b>1,477,673</b>    | <b>1,277,080</b>    |
| <b>Expenditures:</b>  |                  |  |  |                          |  |                   |                     |                     |
| <b>Current -</b>  |                  |  |  |                          |  |                   |                     |                     |
| General government  | 120,832          | 30,287                                   | -  | 110                      | -  | 6,913             | 158,142             | 239,990             |
| Public safety:  |                  |  |  |                          |  |                   |                     |                     |
| Police  | 166,186          | 1,500                                    | -  | -                        | -  | -                 | 167,686             | 146,210             |
| Fire  | -                | 43,784                                   | -  | -                        | -  | -                 | 43,784              | 45,858              |
| Highways and streets  | 81,837           | -  | -  | -                        | -  | -                 | 81,837              | 103,500             |
| Housing rehabilitation  | -                | -  | -  | -                        | 333,050                                    | -                 | 333,050             | 71,551              |
| Parks and recreation  | 1,935            | -  | -  | -                        | -  | -                 | 1,935               | 2,723               |
| Education   | -                | 102,162                                  | -  | -                        | -  | -                 | 102,162             | 107,001             |
| Animal control  | 6,176            | -  | -  | -                        | -  | -                 | 6,176               | 5,069               |
| Capital outlay  | 1,836            | 18,832                                   | -  | 553,446                  | -  | -                 | 574,114             | 409,481             |
| Debt service -  |                  |  |  |                          |  |                   |                     |                     |
| Principal retirement  | -                | -  | 95,000                                     | -                        | -  | 44,000            | 139,000             | 44,000              |
| Interest  | -                | -  | 22,632                                     | -                        | -  | 19,688            | 42,320              | 21,806              |
| <b>Total expenditures</b>   | <b>378,802</b>   | <b>196,565</b>                           | <b>117,632</b>                             | <b>553,556</b>           | <b>333,050</b>                             | <b>70,601</b>     | <b>1,650,206</b>    | <b>1,197,189</b>    |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(150,467)</b> | <b>536,132</b>                           | <b>(117,632)</b>                           | <b>(550,137)</b>         | <b>-</b>                                   | <b>109,571</b>    | <b>(172,533)</b>    | <b>79,891</b>       |
| <b>Other financing sources (uses):</b>  |                  |  |  |                          |  |                   |                     |                     |
| Proceeds from issuance of debt  | -                | -  | -  | -                        | -  | -                 | -                   | 800,000             |
| Transfers in  | 150,000          | -  | 400,892                                    | -                        | -  | 47,194            | 598,086             | 449,428             |
| Transfers out   | -                | (527,499)                                | -  | -                        | -  | (93,094)          | (620,593)           | (505,481)           |
| <b>Total other financing sources (uses)</b>   | <b>150,000</b>   | <b>(527,499)</b>                         | <b>400,892</b>                             | <b>-</b>                 | <b>-</b>                                   | <b>(45,900)</b>   | <b>(22,507)</b>     | <b>743,947</b>      |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(467)</b>     | <b>8,633</b>                             | <b>283,260</b>                             | <b>(550,137)</b>         | <b>-</b>                                   | <b>63,671</b>     | <b>(195,040)</b>    | <b>823,838</b>      |
| <b>Fund balances, beginning</b>   | <b>9,103</b>     | <b>304,414</b>                           | <b>199,896</b>                             | <b>800,000</b>           | <b>-</b>                                   | <b>136,848</b>    | <b>1,450,261</b>    | <b>626,423</b>      |
| <b>Fund balances, ending</b>  | <b>\$ 8,636</b>  | <b>\$ 313,047</b>                        | <b>\$ 483,156</b>                          | <b>\$ 249,863</b>        | <b>\$ -</b>                                | <b>\$ 200,519</b> | <b>\$ 1,255,221</b> | <b>\$ 1,450,261</b> |

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

TOWN OF ELTON, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2003

Total net changes in fund balances at December 31, 2003 per  
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (195,040)

The change in net assets reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

|  |                 |         |
|--|-----------------|---------|
| Capital outlay which is considered expenditures on Statement<br>of Revenues, Expenditures and Changes in Fund Balances | \$ 574,114      |         |
| Depreciation expense for the year ended December 31, 2003  | <u>(75,760)</u> | 498,354 |

Governmental funds report bonded debt repayments as expenditures.  
However, this expenditure does not appear in the statement of activities  
since the payment is applied against the bond payable balance on the statement  
of net assets. 139,000

Difference between interest on long-term debt on modified accrual basis  
versus interest on long-term debt on accrual basis (5,149)

Total changes in net assets at December 31, 2003 per Statement of Activities \$ 437,165

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



TOWN OF ELTON, LOUISIANA

Comparative Statement of Net Assets  
Proprietary Fund  
December 31, 2003 and 2002

|   | <u>Enterprise Fund</u> |                    |
|---|------------------------|--------------------|
|   | <u>2003</u>            | <u>2002</u>        |
| <b>ASSETS</b>                                   |                        |                    |
| <b>Current assets:</b>                          |                        |                    |
| Cash  | \$ 21,165              | \$ 9,985           |
| Interest-bearing deposits                       | 61,375                 | 60,083             |
| Receivables -                                   |                        |                    |
| Accounts  | <u>22,604</u>          | <u>22,949</u>      |
| Total current assets                            | <u>105,144</u>         | <u>93,017</u>      |
| <b>Noncurrent assets:</b>                       |                        |                    |
| <b>Restricted assets-</b>                       |                        |                    |
| Revenue bond and interest sinking fund -        |                        |                    |
| Interest-bearing deposits                       | 7,400                  | 9,696              |
| Revenue bond reserve fund -                     |                        |                    |
| Interest-bearing deposits                       | 29,247                 | 27,641             |
| Capital additions and contingencies fund -      |                        |                    |
| Interest-bearing deposits                       | 51,962                 | 45,075             |
| Customers' deposits -                           |                        |                    |
| Cash  | 3,325                  | 2,617              |
| Interest-bearing deposits                       | <u>31,281</u>          | <u>31,154</u>      |
| Total restricted assets                         | <u>123,215</u>         | <u>116,183</u>     |
| Capital assets, net of accumulated depreciation | <u>2,305,868</u>       | <u>2,370,351</u>   |
| Total noncurrent assets                         | <u>2,429,083</u>       | <u>2,486,534</u>   |
| Total assets                                    | <u>2,534,227</u>       | <u>2,579,551</u>   |
| <b>LIABILITIES</b>                              |                        |                    |
| <b>Current liabilities:</b>                     |                        |                    |
| Accounts payable                                | 9,502                  | 10,501             |
| Due to other funds                              | 696                    | 696                |
| Due to other governmental units                 | 2,313                  | 2,237              |
| Payable from restricted assets -                |                        |                    |
| Revenue bonds payable                           | 26,000                 | 25,000             |
| Interest payable                                | <u>508</u>             | <u>769</u>         |
| Total current liabilities                       | <u>39,019</u>          | <u>39,203</u>      |
| <b>Noncurrent liabilities:</b>                  |                        |                    |
| Customers' deposits                             | 34,606                 | 33,771             |
| Revenue bonds payable                           | <u>27,000</u>          | <u>53,000</u>      |
| Total noncurrent liabilities                    | <u>61,606</u>          | <u>86,771</u>      |
| Total liabilities                               | <u>100,625</u>         | <u>125,974</u>     |
| <b>NET ASSETS</b>                               |                        |                    |
| Invested in capital assets, net of related debt | 2,278,868              | 2,317,351          |
| Restricted for debt service                     | 62,101                 | 56,643             |
| Unrestricted                                    | <u>92,633</u>          | <u>79,583</u>      |
| Total net assets                                | <u>\$2,433,602</u>     | <u>\$2,453,577</u> |

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

TOWN OF ELTON, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Fund

Years Ended December 31, 2003 and 2002

|                                      | Enterprise Fund |              |
|--------------------------------------|-----------------|--------------|
|                                      | 2003            | 2002         |
| Operating revenues:                  |                 |              |
| Charges for services -               |                 |              |
| Water charges                        | \$ 116,896      | \$ 115,646   |
| Sewer charges                        | 89,481          | 88,546       |
| Sanitation charges                   | 60,698          | 61,671       |
| Miscellaneous                        | 7,359           | 7,877        |
| Total operating revenues             | 274,434         | 273,740      |
| Operating expenses:                  |                 |              |
| Water department                     | 137,027         | 146,518      |
| Sewer department                     | 118,269         | 115,754      |
| Sanitation department                | 66,109          | 64,544       |
| Total operating expenses             | 321,405         | 326,816      |
| Operating loss                       | (46,971)        | (53,076)     |
| Nonoperating revenues (expenses):    |                 |              |
| Interest income                      | 2,203           | 2,997        |
| Grant revenue                        | 5,925           | -            |
| Interest and fiscal charges          | (3,639)         | (4,823)      |
| Total nonoperating income (expenses) | 4,489           | (1,826)      |
| Loss before transfers                | (42,482)        | (54,902)     |
| Transfers in                         | 22,507          | 56,053       |
| Change in net assets                 | (19,975)        | 1,151        |
| Net assets, beginning                | 2,453,577       | 2,452,426    |
| Net assets, ending                   | \$ 2,433,602    | \$ 2,453,577 |

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

TOWN OF ELTON, LOUISIANA  
 Comparative Statement of Cash Flows  
 Proprietary Fund  
 Years Ended December 31, 2003 and 2002

|  | <u>Enterprise Fund</u> |                  |
|--|------------------------|------------------|
|  | <u>2003</u>            | <u>2002</u>      |
| <b>Cash flows from operating activities:</b>                         |                        |                  |
| Receipts from customers  | \$ 270,200             | \$ 272,501       |
| Payments to suppliers  | (205,399)              | (219,106)        |
| Payments to employees  | (55,226)               | (58,011)         |
| Other receipts   | 7,359                  | 7,877            |
| Net cash provided by operating activities                            | <u>16,934</u>          | <u>3,261</u>     |
| <br><b>Cash flows from noncapital financing activities:</b>          |                        |                  |
| Transfers from other funds   | <u>22,507</u>          | <u>56,053</u>    |
| <br><b>Cash flows from capital and related financing activities:</b> |                        |                  |
| Acquisition of capital assets  | -                      | (14,190)         |
| Principal paid on revenue bond maturities                            | (25,000)               | (23,000)         |
| Interest paid on revenue bonds                                       | (3,900)                | (5,050)          |
| Proceeds from federal grant  | 5,925                  | -                |
| Increase in meter deposits   | <u>835</u>             | <u>221</u>       |
| Net cash used by capital and related<br>financing activities         | <u>(22,140)</u>        | <u>(42,019)</u>  |
| <br><b>Cash flows from investing activities:</b>                     |                        |                  |
| Purchase of investments  | (104,271)              | (107,061)        |
| Proceeds from maturities of investments                              | 107,061                | 54,666           |
| Interest received on interest-bearing deposits                       | <u>2,203</u>           | <u>2,997</u>     |
| Net cash provided (used) by investing activities                     | <u>4,993</u>           | <u>(49,398)</u>  |
| <br>Net increase (decrease) in cash and cash equivalents             | 22,294                 | (32,103)         |
| <br>Cash and cash equivalents, beginning of period                   | <u>79,190</u>          | <u>111,293</u>   |
| <br>Cash and cash equivalents, end of period                         | <u>\$ 101,484</u>      | <u>\$ 79,190</u> |

(continued)

TOWN OF ELTON, LOUISIANA

Comparative Statement of Cash Flows (Continued)  
 Proprietary Fund  
 Years Ended December 31, 2003 and 2002

|   | <u>2003</u>      | <u>2002</u>        |
|---|------------------|--------------------|
| Cash flows from operating activities:   |                  |                    |
| Operating loss  | \$ (46,971)      | \$ (53,076)        |
| Adjustments to reconcile operating loss<br>to net cash provided by operating activities - |                  |                    |
| Depreciation  | 64,484           | 65,623             |
| Changes in current assets and liabilities:  |                  |                    |
| Decrease (increase) in accounts receivable  | 345              | (1,105)            |
| Decrease in accounts payable  | (999)            | (8,256)            |
| Increase in due to other governments  | <u>75</u>        | <u>75</u>          |
| Total adjustments   | <u>63,905</u>    | <u>56,337</u>      |
| Net cash provided by operating<br>activities  | <u>\$ 16,934</u> | <u>\$ 3,261</u>    |
| Cash and cash equivalents, beginning of period -  |                  |                    |
| Cash - unrestricted   | \$ 9,985         | \$ -               |
| Cash - restricted   | 2,617            | 12,382             |
| Interest-bearing deposits - unrestricted  | 60,083           | 58,262             |
| Interest-bearing deposits - restricted  | 113,566          | 95,315             |
| Less: Certificates of deposit with a maturity<br>over three months when purchased         | <u>(107,061)</u> | <u>(54,666)</u>    |
| Total cash and cash equivalents   | <u>79,190</u>    | <u>111,293</u>     |
| Cash and cash equivalents, end of period -  |                  |                    |
| Cash - unrestricted   | 21,165           | 9,985              |
| Cash - restricted   | 3,325            | 2,617              |
| Interest-bearing deposits - unrestricted  | 61,375           | 60,083             |
| Interest-bearing deposits - restricted  | 119,890          | 113,566            |
| Less: Certificates of deposit with a maturity<br>over three months when purchased         | <u>(104,271)</u> | <u>(107,061)</u>   |
| Total cash and cash equivalents   | <u>101,484</u>   | <u>79,190</u>      |
| Net increase (decrease)   | <u>\$ 22,294</u> | <u>\$ (32,103)</u> |

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

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Elton was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Elton conform to generally accepted accounting principles as applicable to governments. The Town applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Elton is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Elton for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

As required by generally accepted accounting principals, these financial statements present the Town of Elton (the primary government) and its component units. By applying the above criteria, there are no component units of the Town of Elton.

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town'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.

##### Fund Financial Statements

The accounts of the Town 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 various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

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

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

The major funds of the Town are described below:

#### Governmental Funds -

##### General Fund

The 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.

##### Special Revenue Fund

#### Coushatta Tribe Community Grant Fund -

The Coushatta Tribe Community Grant Fund is used to account for funds collected for assisting in the construction, maintenance and repair of Elton public schools, purchasing books, equipment and supplies to further the education needs of students attending Elton public schools; providing fire protection to the reservation of the Coushatta Tribe of Louisiana; assisting in the furnishing of municipal police services; and assisting in the construction, maintenance and repair of municipal infrastructure and housing.

##### Debt Service Fund

#### Certificates of Indebtedness, Series 2002

The Certificates of Indebtedness, Series 2002 Fund is used to account for the accumulation of resources for, and the payment of the 2002 \$800,000 Certificates of Indebtedness.

##### Capital Projects Funds

#### Drainage Improvements Fund

The Drainage Improvements Fund is used to account for the proceeds and expenditure of the 2002 Certificates of Indebtedness, which is to be used for drainage improvements.

#### Louisiana Community Development Block Grant Fund (LCDBG)

The LCDBG Fund is used to account for the administration of grant funds received from the State of Louisiana Division of Administration for housing rehabilitation.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including 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 that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Elton's enterprise fund is the Utility Fund.

#### C. Measurement Focus/Basis of Accounting

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

##### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

*In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:*

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present 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.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.



## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, 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. 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.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### D. Assets, Liabilities and Equity

##### Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less.

##### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at December 31, 2003 and 2002.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 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 using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

|                                 |             |
|---------------------------------|-------------|
| Buildings                       | 20 years    |
| Infrastructure                  | 10-30 years |
| Equipment                       | 5-15 years  |
| Utility system and improvements | 30-70 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. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

#### Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

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. The accounting for proprietary fund long-term debt is the same in the fund financial statements as it is in the government-wide statements.

#### Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. At December 31, 2003, the Town has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

#### Equity Classifications

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

- a. Invested in capital assets, net of related debt – 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 net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character:
- Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

| <u>Revenue Source</u>               | <u>Legal Restrictions of Use</u>    |
|-------------------------------------|-------------------------------------|
| Sales tax                           | See Note 4                          |
| Water, sewer and sanitation revenue | Debt service and utility operations |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

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

1. Prior to December 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, 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. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the Town of Elton to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At December 31, 2003, there was no interest expense capitalized.

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

I. Use of Estimates

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

J. Report Classification

Certain previously reported amounts for the year ended December 31, 2002 have been reclassified to conform to the December 31, 2003 classifications.

(2) Changes in Accounting Principles

During the year ended December 31, 2003, the Town implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Town’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Town also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At December 31, 2002, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2003 to be restated in terms of “net assets” as follows:

|   |                  |                     |
|---|------------------|---------------------|
| Total fund balances - Governmental Funds - at December 31, 2002 |                  | \$ 1,450,261        |
| Add: Cost of capital assets at December 31, 2002                | \$ 1,345,842     |                     |
| Less: Accumulated depreciation at December 31, 2002             | <u>(574,124)</u> | 771,718             |
| Less: Bond principal at December 31, 2002                       | (1,198,000)      |                     |
| Accrued interest payable at December 31, 2002                   | <u>(17,053)</u>  | <u>(1,215,053)</u>  |
| Net assets at December 31, 2002                                 |                  | <u>\$ 1,006,926</u> |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of Jefferson Davis and Allen Parishes. Town property tax revenues are budgeted in the year billed.

For the year ended December 31, 2003, taxes of 14.44 mills were levied on property with assessed valuations totaling \$3,340,230 and were dedicated as follows:

|                            |                    |
|----------------------------|--------------------|
| General corporate purposes | 6.24 mills         |
| Debt Service purposes:     |                    |
| Sewer department           | 4.10 mills         |
| Town sewer                 | <u>4.10</u> mills  |
|                            | <u>14.44</u> mills |

Total taxes levied were \$48,233. Taxes receivable at December 31, 2003 and 2002 were \$11,311 and \$10,715, respectively.

(4) Dedication of Sales Tax Proceeds

Proceeds of a 1 percent sales and use tax (accounted for in the 1975 Sales Tax Fund – a special revenue fund) levied by the Town of Elton (2003 collections \$76,378; 2002 collections \$73,651) are dedicated to the following purposes:

Opening, constructing, paving, resurfacing, and improving streets, sidewalks and bridges, constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment and furnishings therefore; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana, title to which all shall be in the public.

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proceeds of a 1 percent sales and use tax (accounted for in the 1991 Sales Tax Fund – a special revenue fund) levied by the Town of Elton (2003 collections \$76,378; 2002 collections \$73,724) are dedicated to the following purpose:

Maintenance, repair and upkeep of the streets in the Town of Elton, Louisiana and payment of the 2001 certificates of indebtedness.

(5) Cash and Interest-Bearing Deposits

Under state law, the Town 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 Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2003, the Town had cash and interest-bearing deposits (book balances) totaling \$1,368,179 as follows:

|   |                    |
|---|--------------------|
| Demand deposits                                   | \$ 219,481         |
| Money market accounts and certificates of deposit | <u>1,148,698</u>   |
| Total   | <u>\$1,368,179</u> |

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 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 holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2003 were secured as follows:

|   |                    |
|---|--------------------|
| Bank balances                               | <u>\$1,404,388</u> |
| Federal deposit insurance                   | \$ 404,206         |
| Pledged securities (Category 3)             | <u>1,000,182</u>   |
| Total FDIC insurance and pledged securities | <u>\$1,404,388</u> |

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.



TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Receivables

Receivables at December 31, 2003 of \$47,337 consist of the following:

|            | General  | Other<br>Governmental | Utility  | Total     |
|------------|----------|-----------------------|----------|-----------|
| Accounts   | \$ -     | \$ -                  | \$22,604 | \$ 22,604 |
| Taxes:     |          |                       |          |           |
| Ad valorem | 4,888    | 6,423                 | -        | 11,311    |
| Sales tax  | -        | 13,422                | -        | 13,422    |
| Totals     | \$ 4,888 | \$19,845              | \$22,604 | \$ 47,337 |

(7) Due from Other Governmental Units

The amount due from other governmental units consisted of the following at December 31, 2003:

|  |                  |
|--|------------------|
| Amount due from State of Louisiana for beer taxes earned for the fiscal year ending December 31, 2003                                | \$ 530           |
| Amount due from State of Louisiana for video poker revenue earned for the months of November and December, 2003                      | 1,017            |
| Amount due from the Coushatta Tribe of Louisiana for the Town's share of gaming revenues earned for the quarter ended December, 2003 | <u>182,432</u>   |
|  | <u>\$183,979</u> |

(8) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at December 31:

|  | 2003      | 2002       |
|--|-----------|------------|
| Revenue bond sinking fund              | \$ 7,400  | \$ 9,696   |
| Revenue bond reserve fund              | 29,247    | 27,641     |
| Capital additions and contingency fund | 51,962    | 45,075     |
| Customers' deposits                    | 34,606    | 33,771     |
| Total restricted assets                | \$123,215 | \$ 116,183 |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended December 31, 2003 was as follows:

|  | <u>Balance<br/>01/01/03</u> | <u>Additions</u>   | <u>Deletions</u> | <u>Balance<br/>12/31/03</u> |
|--|-----------------------------|--------------------|------------------|-----------------------------|
| <b>Governmental activities:</b>                  |                             |                    |                  |                             |
| Capital assets not being depreciated:            |                             |                    |                  |                             |
| Land   | \$ 77,858                   | \$ -               | \$ -             | \$ 77,858                   |
| Other capital assets:                            |                             |                    |                  |                             |
| Buildings  | 374,881                     | -                  | -                | 374,881                     |
| Infrastructure                                   | 575,582                     | 563,246            | -                | 1,138,828                   |
| Equipment, furniture and fixtures                | 317,521                     | 10,868             | 8,000            | 320,389                     |
| Totals   | <u>1,345,842</u>            | <u>574,114</u>     | <u>8,000</u>     | <u>1,911,956</u>            |
| Less accumulated depreciation                    |                             |                    |                  |                             |
| Buildings  | 245,863                     | 7,964              | -                | 253,827                     |
| Infrastructure                                   | 232,029                     | 32,554             | -                | 264,583                     |
| Equipment, furniture and fixtures                | 96,232                      | 35,242             | 8,000            | 123,474                     |
| Total accumulated depreciation                   | <u>574,124</u>              | <u>75,760</u>      | <u>8,000</u>     | <u>641,884</u>              |
| Governmental activities,<br>capital assets, net  | <u>\$ 771,718</u>           | <u>\$ 498,354</u>  | <u>\$ -</u>      | <u>\$ 1,270,072</u>         |
| <b>Business-type activities:</b>                 |                             |                    |                  |                             |
| Capital assets not being depreciated:            |                             |                    |                  |                             |
| Land - water system                              | \$ 10,000                   | \$ -               | \$ -             | \$ 10,000                   |
| Other capital assets:                            |                             |                    |                  |                             |
| Water system -                                   |                             |                    |                  |                             |
| Plant and lines                                  | 1,295,917                   | -                  | -                | 1,295,917                   |
| Equipment  | 32,276                      | -                  | -                | 32,276                      |
| Autos and trucks                                 | 11,250                      | -                  | -                | 11,250                      |
| Office equipment                                 | 16,056                      | -                  | -                | 16,056                      |
| Sewer system -                                   |                             |                    |                  |                             |
| Plant and lines                                  | 2,191,347                   | -                  | -                | 2,191,347                   |
| Equipment  | 43,507                      | -                  | -                | 43,507                      |
| Autos and trucks                                 | 2,700                       | -                  | -                | 2,700                       |
| Office equipment                                 | 715                         | -                  | -                | 715                         |
| Totals   | <u>3,603,768</u>            | <u>-</u>           | <u>-</u>         | <u>3,603,768</u>            |
| Less accumulated depreciation                    |                             |                    |                  |                             |
| Water system                                     | 550,111                     | 28,938             | -                | 579,049                     |
| Sewer system                                     | 683,306                     | 35,545             | -                | 718,851                     |
| Total accumulated depreciation                   | <u>1,233,417</u>            | <u>64,483</u>      | <u>-</u>         | <u>1,297,900</u>            |
| Business-type activities,<br>capital assets, net | <u>\$ 2,370,351</u>         | <u>\$ (64,483)</u> | <u>\$ -</u>      | <u>\$ 2,305,868</u>         |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

|                            |                  |
|----------------------------|------------------|
| General government         | \$ 25,521        |
| Police                     | 20,880           |
| Highways and streets       | 23,373           |
| Parks and recreation       | 5,197            |
| Animal control             | <u>789</u>       |
| Total depreciation expense | <u>\$ 75,760</u> |

Depreciation expense was charged to business-type activities as follows:

|                            |                  |
|----------------------------|------------------|
| Water                      | \$ 28,939        |
| Sewer                      | <u>35,545</u>    |
| Total depreciation expense | <u>\$ 64,484</u> |

(10) Accounts and Other Payables

The accounts and other payables of \$95,509 consisted of the following at December 31, 2003:

|                   | Governmental<br>Activities | Business-type<br>Activities | Total            |
|-------------------|----------------------------|-----------------------------|------------------|
| Accounts          | \$ 9,605                   | \$ 9,502                    | \$ 19,107        |
| Contracts payable | 28,185                     | -                           | 28,185           |
| Retainage payable | 47,438                     | -                           | 47,438           |
| Other liabilities | <u>779</u>                 | <u>-</u>                    | <u>779</u>       |
| Totals            | <u>\$ 86,007</u>           | <u>\$ 9,502</u>             | <u>\$ 95,509</u> |

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2003:

|   | Governmental<br>Activities | Business-type<br>Activities | Total               |
|---|----------------------------|-----------------------------|---------------------|
| Long-term debt payable, January 1, 2003   | \$ 1,198,000               | \$ 78,000                   | \$ 1,276,000        |
| Long-term debt issued                     | -                          | -                           | -                   |
| Long-term debt retired                    | <u>(139,000)</u>           | <u>(25,000)</u>             | <u>(164,000)</u>    |
| Long-term debt payable, December 31, 2003 | <u>\$ 1,059,000</u>        | <u>\$ 53,000</u>            | <u>\$ 1,112,000</u> |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at December 31, 2003 is comprised of the following individual issues:

General Obligation Bonds:

\$224,000 Sewerage District No. 1 sewer bonds dated October 22, 1980; due in annual installments of \$12,000 to \$18,000 through October 22, 2005; interest at 5 percent; payable from ad valorem taxes \$ 34,000

Certificates of Indebtedness:

\$380,000 certificates of indebtedness dated July 1, 2001; due in semi-annual installments of \$15,000 to \$25,000 through July 1, 2011; interest starting at 4.65 percent and increasing to 5.30 percent from July 1, 2001 through July 1, 2011; payable from sales taxes. \$ 320,000

\$800,000 certificates of indebtedness dated October 1, 2002; due in semi-annual installments of \$30,000 to \$75,000 through July 1, 2008; interest starting at 3.65 percent and increasing to 4.05 percent from January 1, 2003 through July 1, 2008; payable from Coshatta Community Grant funds. 705,000

Total Certificate of Indebtedness \$1,025,000

Revenue Bonds:

\$394,000 Sewer Utility Bonds dated October 22, 1980; due in annual installments of \$26,000 to \$27,000 through October 22, 2005; interest at 5 percent \$ 53,000

The bonds and certificates are due as follows:

| Year ending<br>June 30, | Governmental Activities |                      | Business-type Activities |                      |
|-------------------------|-------------------------|----------------------|--------------------------|----------------------|
|                         | Principal<br>payments   | Interest<br>payments | Principal<br>payments    | Interest<br>payments |
| 2004                    | \$ 176,000              | \$ 43,816            | \$ 26,000                | \$ 2,650             |
| 2005                    | 188,000                 | 36,681               | 27,000                   | 1,350                |
| 2006                    | 180,000                 | 28,693               | -                        | -                    |
| 2007                    | 190,000                 | 21,131               | -                        | -                    |
| 2008                    | 190,000                 | 13,159               | -                        | -                    |
| 2009-2011               | <u>135,000</u>          | <u>13,032</u>        | <u>-</u>                 | <u>-</u>             |
| Total                   | <u>\$1,059,000</u>      | <u>\$ 156,512</u>    | <u>\$ 53,000</u>         | <u>\$ 4,000</u>      |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Flow of Funds; Restrictions on Use - Utilities Revenues

Revenue Bond

Under the terms of the Sewer Utility Revenue indenture dated October 22, 1980, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the sewer utility system, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Sewer Utility Bond Reserve Fund" an amount equal to 5% of the amount required to be paid into the Sinking Fund during the current fiscal year until there shall have been accumulated in the reserve account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amount may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Sewer Utility Depreciation and Contingency Fund" at the rate of \$118 each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

(13) Employee Retirement

All employees of the Town of Elton participate in the Social Security System. For the years ended December 31, 2003 and 2002, the Town and its employees contributed a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employees). The Town's contribution during the years ended December 31, 2003 and 2002 amounted to \$17,721 and \$18,576, respectively.

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Segment Information for the Enterprise Fund

The Town of Elton maintains one enterprise fund with three departments which provide water, sewerage and sanitation services. Segment information for the year ended December 31, 2003, was as follows:

|                          | <u>Water<br/>Department</u> | <u>Sewer<br/>Department</u> | <u>Sanitation<br/>Department</u> | <u>Total<br/>Enterprise<br/>Fund</u> |
|--------------------------|-----------------------------|-----------------------------|----------------------------------|--------------------------------------|
| Operating revenues       | <u>\$124,255</u>            | <u>\$ 89,481</u>            | <u>\$ 60,698</u>                 | <u>\$ 274,434</u>                    |
| Operating expenses:      |                             |                             |                                  |                                      |
| Depreciation             | 28,939                      | 35,545                      | -                                | 64,484                               |
| Other                    | <u>108,088</u>              | <u>82,724</u>               | <u>66,109</u>                    | <u>256,921</u>                       |
| Total operating expenses | <u>137,027</u>              | <u>118,269</u>              | <u>66,109</u>                    | <u>321,405</u>                       |
| Operating loss           | <u>\$ (12,772)</u>          | <u>\$ (28,788)</u>          | <u>\$ (5,411)</u>                | <u>\$ (46,971)</u>                   |

(15) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2003 follows:

Mayor:

|  |               |
|--|---------------|
| Catherine Hollingsworth (July 1, 2003 through December 31, 2003) | \$ 9,013      |
| Roger D. Laughlin, (January 1, 2003 through June 30, 2003)       | <u>6,587</u>  |
|  | <u>15,600</u> |

Aldermen:

|                         |                 |
|-------------------------|-----------------|
| Malcom Bertrand         | 2,900           |
| Durfey Fontenot, Jr.    | 2,900           |
| George Foster, Jr.      | 1,100           |
| Kimberly Guidry         | 200             |
| Catherine Hollingsworth | 1,313           |
| Margaret Langley        | 2,900           |
| Tracie Treme            | <u>2,900</u>    |
|                         | <u>14,213</u>   |
|                         | <u>\$29,813</u> |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Risk Management

The Town is exposed to various risk 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 for each of those risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses to the Town.

(17) Pending Litigation

There were several lawsuits pending against the Town of Elton involving monetary liability at December 31, 2003; however management and counsel believe insurance coverage is sufficient to pay any claims.

(18) Water Contract

Under a contract dated January 1, 2003, the Town of Elton is required to purchase its water from the East Allen Parish Waterworks District until December 31, 2003. During the fiscal year ended December 31, 2003, the Town's water purchases amounted to \$49,640. These purchases included \$3,451 owed at December 31, 2003 for water purchased for the month of December.

(19) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at December 31, 2003:

|   |                  |
|---|------------------|
| Due to the Utility Fund from the General Fund representing short-term loans   | \$ 696           |
| Due to the Drainage Improvements Fund from the 2002 Certificates of Indebtedness Fund representing short-term loans | 9,377            |
| Due to the General Fund from the Coshatta Tribe Community Grant Fund representing short-term loans                  | 9,854            |
| Due to the 1980 Public Improvement Bond Fund from the General Fund representing short-term loans                    | 8,228            |
| Total   | <u>\$ 28,155</u> |

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Operating transfers

Operating transfers consisted of the following at December 31, 2003:

|  | <u>Operating<br/>Transfers In</u> | <u>Operating<br/>Transfers Out</u> |
|--|-----------------------------------|------------------------------------|
| Major governmental funds:              |                                   |                                    |
| General Fund                           | \$ 150,000                        | \$ -                               |
| Coushatta Tribe Community Grant Fund   | -                                 | 527,499                            |
| 2002 Certificates of Indebtedness Fund | 400,892                           | -                                  |
| Non-major governmental funds:          |                                   |                                    |
| 1975 Sales Tax Fund                    | -                                 | 45,900                             |
| 1991 Sales Tax Fund                    | -                                 | 47,194                             |
| 2001 Certificates of Indebtedness Fund | 47,194                            |                                    |
| Proprietary Fund:                      |                                   |                                    |
| Enterprise Fund                        | <u>22,507</u>                     | <u>-</u>                           |
| Total                                  | <u>\$620,593</u>                  | <u>\$620,593</u>                   |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the different funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2003  
With Comparative Actual Amounts for Year Ended December 31, 2002

|  | 2003             |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual   |
|--|------------------|------------------|------------------|---|------------------|
|  | Budget           |                  | Actual           |   |                  |
|  | Original         | Final            |                  |   |                  |
| <b>Revenues:</b>   |                  |                  |                  |   |                  |
| Taxes  | \$ 74,500        | \$ 82,500        | \$ 81,032        | \$ (1,468)  | \$ 73,126        |
| Licenses and permits   | 42,000           | 40,000           | 29,817           | (10,183)  | 39,542           |
| Intergovernmental  | 46,700           | 51,032           | 56,527           | 5,495   | 48,546           |
| Fines and forfeits   | 50,000           | 45,000           | 42,846           | (2,154)   | 45,624           |
| Miscellaneous  | 19,350           | 17,000           | 18,113           | 1,113   | 25,627           |
| <b>Total revenues</b>  | <u>232,550</u>   | <u>235,532</u>   | <u>228,335</u>   | <u>(7,197)</u>  | <u>232,465</u>   |
| <b>Expenditures:</b>   |                  |                  |                  |   |                  |
| <b>Current -</b>   |                  |                  |                  |   |                  |
| General government   | 117,550          | 119,175          | 120,832          | (1,657)   | 112,974          |
| Public safety - police   | 144,300          | 143,425          | 166,186          | (22,761)  | 146,210          |
| Highways and streets   | 101,960          | 95,000           | 81,837           | 13,163  | 103,500          |
| Parks and recreation   | 2,150            | 2,200            | 1,935            | 265   | 2,723            |
| Animal control   | 6,310            | 5,980            | 6,176            | (196)   | 5,069            |
| Capital outlay   | -                | 1,836            | 1,836            | -   | 22,859           |
| <b>Total expenditures</b>  | <u>372,270</u>   | <u>367,616</u>   | <u>378,802</u>   | <u>(11,186)</u>   | <u>393,335</u>   |
| Deficiency of revenues over expenditures   | <u>(139,720)</u> | <u>(132,084)</u> | <u>(150,467)</u> | <u>(18,383)</u>   | <u>(160,870)</u> |
| <b>Other financing sources (uses):</b>   |                  |                  |                  |   |                  |
| Transfers in   | 165,000          | 150,000          | 150,000          | -   | 166,844          |
| Transfers out  | (10,000)         | -                | -                | -   | (10,000)         |
| <b>Total other financing sources (uses)</b>  | <u>155,000</u>   | <u>150,000</u>   | <u>150,000</u>   | <u>-</u>  | <u>156,844</u>   |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 15,280           | 17,916           | (467)            | (18,383)  | (4,026)          |
| Fund balance, beginning  | 9,103            | 9,103            | 9,103            | -   | 13,129           |
| Fund balance, ending   | <u>\$ 24,383</u> | <u>\$ 27,019</u> | <u>\$ 8,636</u>  | <u>\$ (18,383)</u>                                      | <u>\$ 9,103</u>  |

TOWN OF ELTON, LOUISIANA  
Coushatta Tribe Community Grant Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2003  
With Comparative Actual Amounts for Year Ended December 31, 2002

|   | 2003             |                   |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual    |
|---|------------------|-------------------|------------------|---|-------------------|
|   | Budget           |                   | Actual           |   |                   |
|   | Original         | Final             |                  |   |                   |
| <b>Revenues:</b>  |                  |                   |                  |   |                   |
| Intergovernmental - state grant   | \$ -             | \$ -              | \$ -             | \$ -  | \$ 29,700         |
| Community grant revenue   | 798,861          | 729,730           | 729,729          | (1)   | 764,295           |
| Miscellaneous - interest  | 2,500            | 2,700             | 2,968            | 268   | 2,483             |
| <b>Total revenues</b>   | <u>801,361</u>   | <u>732,430</u>    | <u>732,697</u>   | <u>267</u>  | <u>796,478</u>    |
| <b>Expenditures:</b>  |                  |                   |                  |   |                   |
| <b>Current -</b>  |                  |                   |                  |   |                   |
| <b>General government:</b>  |                  |                   |                  |   |                   |
| Professional fees   | -                | 4,500             | 4,400            | 100   | -                 |
| Repairs and maintenance   | 7,500            | 12,000            | 25,415           | (13,415)  | 103,453           |
| Miscellaneous   | 1,000            | 500               | 472              | 28  | 1,018             |
| <b>Total general government</b>   | <u>8,500</u>     | <u>17,000</u>     | <u>30,287</u>    | <u>(13,287)</u>   | <u>104,471</u>    |
| <b>Public safety:</b>   |                  |                   |                  |   |                   |
| Police training   | -                | 1,500             | 1,500            | -   | -                 |
| Appropriation to Fire District - fire protection                        | 54,600           | 50,000            | 43,784           | 6,216   | 45,858            |
| <b>Highways and streets:</b>  |                  |                   |                  |   |                   |
| Repairs and maintenance   | 45,000           | -                 | -                | -   | -                 |
| <b>Education:</b>   |                  |                   |                  |   |                   |
| Public schools  | 127,400          | 100,000           | 102,162          | (2,162)   | 107,001           |
| <b>Capital outlay -</b>   |                  |                   |                  |   |                   |
| <b>General government:</b>  |                  |                   |                  |   |                   |
| Land  | 75,000           | -                 | -                | -   | -                 |
| Equipment   | 25,000           | 2,500             | 2,032            | 468   | -                 |
| <b>Highways and streets:</b>  |                  |                   |                  |   |                   |
| Bridge repair   | -                | -                 | 9,800            | (9,800)   | 85,750            |
| Building  | -                | -                 | -                | -   | 259,288           |
| Equipment   | 50,000           | 30,000            | 7,000            | 23,000  | -                 |
| <b>Public safety:</b>   |                  |                   |                  |   |                   |
| Equipment - police  | 25,000           | -                 | -                | -   | 28,904            |
| <b>Parks and recreation:</b>  |                  |                   |                  |   |                   |
| Improvements  | 5,000            | -                 | -                | -   | 4,803             |
| <b>Total capital outlay</b>   | <u>180,000</u>   | <u>32,500</u>     | <u>18,832</u>    | <u>13,668</u>   | <u>378,745</u>    |
| <b>Total expenditures</b>   | <u>415,500</u>   | <u>201,000</u>    | <u>196,565</u>   | <u>4,435</u>  | <u>636,075</u>    |
| <b>Excess of revenues over expenditures</b>                             | <u>385,861</u>   | <u>531,430</u>    | <u>536,132</u>   | <u>4,702</u>  | <u>160,403</u>    |
| <b>Other financing sources (uses):</b>                                  |                  |                   |                  |   |                   |
| Transfers to General Fund   | (135,000)        | (115,000)         | (115,000)        | -   | (98,844)          |
| Transfers to Utility Fund   | -                | (18,000)          | (11,607)         | 6,393   | (35,553)          |
| Transfers to Debt Service Fund  | (117,700)        | (385,000)         | (400,892)        | (15,892)  | (209,293)         |
| <b>Total other financing sources (uses)</b>                             | <u>(252,700)</u> | <u>(518,000)</u>  | <u>(527,499)</u> | <u>(9,499)</u>  | <u>(343,690)</u>  |
| <b>Excess (deficiency) of revenues over expenditures and other uses</b> | 133,161          | 13,430            | 8,633            | (4,797)   | (183,287)         |
| Fund balance, beginning   | 304,414          | 304,414           | 304,414          | -   | 487,701           |
| Fund balance, ending  | <u>\$437,575</u> | <u>\$ 317,844</u> | <u>\$313,047</u> | <u>\$ (4,797)</u>                                       | <u>\$ 304,414</u> |

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
Year Ended December 31, 2003  
With Comparative Actual Amounts for Year Ended December 31, 2002

|                               | 2003             |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual   |
|-------------------------------|------------------|------------------|------------------|---|------------------|
|                               | Budget           |                  | Actual           |   |                  |
|                               | Original         | Final            |                  |   |                  |
| <b>Taxes:</b>                 |                  |                  |                  |   |                  |
| Ad valorem                    | \$ 19,500        | \$ 19,500        | \$ 20,526        | \$ 1,026  | \$ 19,166        |
| Franchise tax                 | 55,000           | 63,000           | 60,506           | (2,494)   | 53,960           |
| Total taxes                   | <u>74,500</u>    | <u>82,500</u>    | <u>81,032</u>    | <u>(1,468)</u>  | <u>73,126</u>    |
| <b>Licenses and permits:</b>  |                  |                  |                  |   |                  |
| Occupational licenses         | <u>42,000</u>    | <u>40,000</u>    | <u>29,817</u>    | <u>(10,183)</u>   | <u>39,542</u>    |
| <b>Intergovernmental:</b>     |                  |                  |                  |   |                  |
| Federal grant - FEMA          | -                | 7,832            | 7,832            | -   | -                |
| State of Louisiana -          |                  |                  |                  |   |                  |
| State revenue sharing         | 6,000            | 6,000            | 5,702            | (298)   | 5,901            |
| Beer taxes                    | 4,000            | 4,000            | 2,396            | (1,604)   | 4,090            |
| Video poker                   | 19,000           | 17,500           | 16,462           | (1,038)   | 17,735           |
| Supplemental pay              | 10,800           | 10,800           | 15,200           | 4,400   | 14,040           |
| Grants                        | 3,000            | 1,000            | 5,035            | 4,035   | 2,880            |
| Jeff Davis Parish Police Jury | 3,900            | 3,900            | 3,900            | -   | 3,900            |
| Total intergovernmental       | <u>46,700</u>    | <u>51,032</u>    | <u>56,527</u>    | <u>5,495</u>  | <u>48,546</u>    |
| Fines and forfeits            | <u>50,000</u>    | <u>45,000</u>    | <u>42,846</u>    | <u>(2,154)</u>  | <u>45,624</u>    |
| <b>Miscellaneous:</b>         |                  |                  |                  |   |                  |
| Interest income               | 350              | 200              | 175              | (25)  | 258              |
| Fire protection fees          | 6,500            | 6,500            | 6,354            | (146)   | 6,476            |
| Other                         | 12,500           | 10,300           | 11,584           | 1,284   | 18,893           |
| Total miscellaneous           | <u>19,350</u>    | <u>17,000</u>    | <u>18,113</u>    | <u>1,113</u>  | <u>25,627</u>    |
| Total revenues                | <u>\$232,550</u> | <u>\$235,532</u> | <u>\$228,335</u> | <u>\$ (7,197)</u>                                       | <u>\$232,465</u> |

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
Year Ended December 31, 2003  
With Comparative Actual Amounts for Year Ended December 31, 2002

|                                      | 2003           |                |                | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual |
|--------------------------------------|----------------|----------------|----------------|---|----------------|
|                                      | Budget         |                | Actual         |   |                |
|                                      | Original       | Final          |                |   |                |
| <b>Current:</b>                      |                |                |                |   |                |
| <b>General government -</b>          |                |                |                |   |                |
| Coroner fees                         | \$ 500         | \$ 1,500       | \$ 1,173       | \$ 327  | \$ 350         |
| Dues and subscriptions               | 1,000          | 550            | 716            | (166)   | 920            |
| Fire assessments                     | 6,500          | 6,500          | 6,354          | 146   | 6,476          |
| Insurance                            | 27,000         | 25,500         | 24,921         | 579   | 19,813         |
| Janitorial supplies                  | 3,000          | 2,000          | 2,017          | (17)  | 3,651          |
| Legal and professional               | 10,000         | 10,000         | 11,444         | (1,444)   | 10,441         |
| Mayor's expense                      | 1,500          | 1,000          | 740            | 260   | 2,226          |
| Miscellaneous                        | 850            | 900            | 2,743          | (1,843)   | 2,355          |
| Office expenditures                  | 5,500          | 8,700          | 7,357          | 1,343   | 7,087          |
| Payroll taxes                        | 3,250          | 3,200          | 3,270          | (70)  | 3,234          |
| Publishing and recording             | 750            | 925            | 897            | 28  | 623            |
| Rent - fire hydrant                  | 3,900          | 3,900          | 3,900          | -   | 3,900          |
| Salaries                             | 42,500         | 41,800         | 41,859         | (59)  | 41,229         |
| Telephone                            | 3,500          | 4,200          | 4,488          | (288)   | 2,937          |
| Meetings, workshops, and conventions | 500            | 600            | 483            | 117   | 604            |
| Repairs and maintenance              | 1,000          | 500            | 1,735          | (1,235)   | 1,341          |
| Utilities                            | 6,300          | 7,400          | 6,735          | 665   | 5,787          |
| <b>Total general government</b>      | <u>117,550</u> | <u>119,175</u> | <u>120,832</u> | <u>(1,657)</u>  | <u>112,974</u> |
| <b>Public safety - police -</b>      |                |                |                |   |                |
| Auto expenditures                    | 7,500          | 12,500         | 11,000         | 1,500   | 4,337          |
| Insurance                            | 7,500          | 8,600          | 8,694          | (94)  | 6,988          |
| Salaries                             | 98,000         | 86,500         | 102,765        | (16,265)  | 99,135         |
| Miscellaneous                        | 200            | 1,000          | 559            | 441   | 574            |
| Payroll taxes                        | 9,800          | 6,625          | 7,952          | (1,327)   | 7,652          |
| Prisoners' expenditures              | 1,800          | 2,000          | 3,511          | (1,511)   | 2,720          |
| Supplies                             | 3,000          | 5,000          | 9,661          | (4,661)   | 3,000          |
| Repairs and maintenance              | 10,000         | 13,000         | 12,497         | 503   | 15,150         |
| State court costs                    | 1,200          | 1,200          | 1,396          | (196)   | 1,493          |
| Training academy                     | 1,000          | 1,200          | 1,389          | (189)   | 1,799          |
| Telephone and utilities              | 3,500          | 4,300          | 5,075          | (775)   | 2,630          |
| Uniforms                             | 800            | 1,500          | 1,687          | (187)   | 732            |
| <b>Total public safety</b>           | <u>144,300</u> | <u>143,425</u> | <u>166,186</u> | <u>(22,761)</u>   | <u>146,210</u> |

(continued)

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
Year Ended December 31, 2003  
With Comparative Actual Amounts for Year Ended December 31, 2002

|                               | 2003             |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual   |
|-------------------------------|------------------|------------------|------------------|---|------------------|
|                               | Budget           |                  | Actual           |   |                  |
|                               | Original         | Final            |                  |   |                  |
| <b>Highways and streets -</b> |                  |                  |                  |   |                  |
| Auto expenditures             | 2,000            | 2,200            | 1,882            | 318   | 2,037            |
| Insurance                     | 2,500            | 3,500            | 3,462            | 38  | 2,292            |
| Miscellaneous                 | 100              | 100              | 62               | 38  | 254              |
| Payroll taxes                 | 2,760            | 2,600            | 2,268            | 332   | 2,811            |
| Repairs and maintenance       | 45,000           | 35,000           | 24,573           | 10,427  | 45,461           |
| Salaries                      | 36,000           | 33,000           | 32,404           | 596   | 35,959           |
| Supplies                      | 600              | 1,600            | 1,303            | 297   | 580              |
| Utilities                     | 13,000           | 17,000           | 15,883           | 1,117   | 14,106           |
| Total highways and streets    | <u>101,960</u>   | <u>95,000</u>    | <u>81,837</u>    | <u>13,163</u>   | <u>103,500</u>   |
| <b>Parks and recreation -</b> |                  |                  |                  |   |                  |
| Repairs and maintenance       | 750              | 1,200            | 949              | 251   | 1,537            |
| Utilities                     | 1,400            | 1,000            | 986              | 14  | 1,186            |
| Total parks and recreation    | <u>2,150</u>     | <u>2,200</u>     | <u>1,935</u>     | <u>265</u>  | <u>2,723</u>     |
| <b>Animal control -</b>       |                  |                  |                  |   |                  |
| Insurance                     | 300              | 430              | 422              | 8   | 273              |
| Miscellaneous                 | -                | -                | 269              | (269)   | -                |
| Payroll taxes                 | 310              | 300              | 347              | (47)  | 290              |
| Salaries                      | 4,000            | 3,750            | 3,728            | 22  | 3,740            |
| Supplies                      | 1,700            | 1,500            | 1,410            | 90  | 766              |
| Total animal control          | <u>6,310</u>     | <u>5,980</u>     | <u>6,176</u>     | <u>(196)</u>  | <u>5,069</u>     |
| <b>Capital outlay:</b>        |                  |                  |                  |   |                  |
| <b>Public safety - police</b> |                  |                  |                  |   |                  |
| Equipment                     | -                | 1,836            | 1,836            | -   | 9,287            |
| <b>Highways and streets -</b> |                  |                  |                  |   |                  |
| Equipment                     | -                | -                | -                | -   | 11,442           |
| <b>Animal control -</b>       |                  |                  |                  |   |                  |
| Equipment                     | -                | -                | -                | -   | 2,130            |
| Total capital outlay          | <u>-</u>         | <u>1,836</u>     | <u>1,836</u>     | <u>-</u>  | <u>22,859</u>    |
| <b>Total expenditures</b>     | <u>\$372,270</u> | <u>\$367,616</u> | <u>\$378,802</u> | <u>\$(11,186)</u>                                       | <u>\$393,335</u> |



TOWN OF ELTON, LOUISIANA  
2002 Certificates of Indebtedness Debt Service Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

|  | 2003      |           |           | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual |
|--|-----------|-----------|-----------|---|----------------|
|  | Budget    |           | Actual    |   |                |
|  | Original  | Final     |           |   |                |
| <b>Revenues:</b>   |           |           |           |   |                |
| Miscellaneous - interest                                     | \$ -      | \$ -      | \$ -      | \$ -  | \$ 3,248       |
| <b>Expenditures:</b>   |           |           |           |   |                |
| General government-  |           |           |           |   |                |
| Professional fees  | -         | -         | -         | -   | 12,220         |
| Miscellaneous  | -         | -         | -         | -   | 405            |
| Total general government                                     | -         | -         | -         | -   | 12,625         |
| Debt service -   |           |           |           |   |                |
| Principal retirement   | 95,000    | 95,000    | 95,000    | -   | -              |
| Interest   | 22,700    | 22,632    | 22,632    | -   | 20             |
| Total debt service   | 117,700   | 117,632   | 117,632   | -   | 20             |
| Total expenditures   | 117,700   | 117,632   | 117,632   | -   | 12,645         |
| Deficiency of<br>revenues over<br>expenditures               | (117,700) | (117,632) | (117,632) | -   | (9,397)        |
| <b>Other financing sources:</b>                              |           |           |           |   |                |
| Transfers from Coushatta Tribe<br>Community Grant Fund       | 117,700   | 385,000   | 400,892   | 15,892  | 209,293        |
| Excess of revenues and<br>other sources over<br>expenditures | -         | 267,368   | 283,260   | 15,892  | 199,896        |
| Fund balance, beginning                                      | 199,896   | 199,896   | 199,896   | -   | -              |
| Fund balance, ending   | \$199,896 | \$467,264 | \$483,156 | \$15,892  | \$199,896      |

TOWN OF ELTON, LOUISIANA  
Drainage Improvements Capital Projects Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

|   | 2003             |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual   |
|---|------------------|------------------|------------------|---|------------------|
|   | Budget           |                  | Actual           |   |                  |
|   | Original         | Final            |                  |   |                  |
| <b>Revenues:</b>  |                  |                  |                  |   |                  |
| Miscellaneous - interest  | \$ -             | \$ 3,500         | \$ 3,419         | \$ (81)   | \$ 789           |
| <b>Expenditures:</b>  |                  |                  |                  |   |                  |
| General government -<br>Administration and other  | 14,495           | -                | 110              | (110)   | 25               |
| Capital outlay -<br>Construction costs  | <u>700,000</u>   | <u>530,000</u>   | <u>553,446</u>   | <u>(23,446)</u>   | <u>7,852</u>     |
| Total expenditures  | <u>714,495</u>   | <u>530,000</u>   | <u>553,556</u>   | <u>(23,556)</u>   | <u>7,877</u>     |
| Deficiency of<br>revenues over<br>expenditures  | <u>(714,495)</u> | <u>(526,500)</u> | <u>(550,137)</u> | <u>(23,637)</u>   | <u>(7,088)</u>   |
| <b>Other financing sources (uses):</b>  |                  |                  |                  |   |                  |
| Proceeds from issuance of debt  | -                | -                | -                | -   | 800,000          |
| Transfers to other funds -<br>1991 Sales Tax Fund   | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>  | <u>(4,407)</u>   |
| Total other financing<br>sources (uses)   | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>  | <u>795,593</u>   |
| Excess (deficiency) of<br>revenues and other<br>sources over expenditures<br>and other uses | (714,495)        | (526,500)        | (550,137)        | (23,637)  | 788,505          |
| Fund balance, beginning   | <u>800,000</u>   | <u>800,000</u>   | <u>800,000</u>   | <u>-</u>  | <u>11,495</u>    |
| Fund balance, ending  | <u>\$ 85,505</u> | <u>\$273,500</u> | <u>\$249,863</u> | <u>\$(23,637)</u>                                       | <u>\$800,000</u> |

TOWN OF ELTON, LOUISIANA  
Community Development Block Grant Capital Projects Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2003  
With Comparative Actual Amounts for the Year Ended December 31, 2002

|   | 2003             |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2002<br>Actual   |
|---|------------------|------------------|------------------|---|------------------|
|   | Budget           |                  | Actual           |   |                  |
|   | Original         | Final            |                  |   |                  |
| <b>Revenues:</b>                        |                  |                  |                  |   |                  |
| Intergovernmental - federal grant       | <u>\$169,700</u> | <u>\$332,900</u> | <u>\$333,050</u> | <u>\$ 150</u>   | <u>\$ 71,551</u> |
| <b>Expenditures:</b>                    |                  |                  |                  |   |                  |
| Housing rehabilitation -                |                  |                  |                  |   |                  |
| Cost relocation                         | 144,700          | 282,900          | 282,875          | 25  | 58,633           |
| Administration and other                | <u>25,000</u>    | <u>50,000</u>    | <u>50,175</u>    | <u>(175)</u>  | <u>12,918</u>    |
| Total expenditures                      | <u>169,700</u>   | <u>332,900</u>   | <u>333,050</u>   | <u>(150)</u>  | <u>71,551</u>    |
| Excess of revenues<br>over expenditures | -                | -                | -                | -   | -                |
| Fund balance, beginning                 | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>  | <u>-</u>         |
| Fund balance, ending                    | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ -</u>      |

**NONMAJOR GOVERNMENTAL FUNDS**

TOWN OF ELTON, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
December 31, 2003  
With Comparative Totals for December 31, 2002

|  | Special<br>Revenue | Debt<br>Service  | Totals           |                  |
|--|--------------------|------------------|------------------|------------------|
|  |                    |                  | 2003             | 2002             |
| <b>ASSETS</b>                                  |                    |                  |                  |                  |
| Cash   | \$ 82,880          | \$ 23,115        | \$105,995        | \$ 54,340        |
| Interest-bearing deposits                      | -                  | 66,451           | 66,451           | 57,273           |
| Receivables:                                   |                    |                  |                  |                  |
| Taxes  | 13,422             | 6,423            | 19,845           | 17,007           |
| Due from other funds                           | -                  | 8,228            | 8,228            | 8,228            |
|  | <b>\$ 96,302</b>   | <b>\$104,217</b> | <b>\$200,519</b> | <b>\$136,848</b> |
| <b>FUND BALANCES</b>                           |                    |                  |                  |                  |
| Fund balances:                                 |                    |                  |                  |                  |
| Reserved for debt service                      | \$ -               | \$104,217        | \$104,217        | \$ 95,406        |
| Unreserved, designated for street improvements | 57,442             | -                | 57,442           | 30,626           |
| Unreserved, undesignated                       | 38,860             | -                | 38,860           | 10,816           |
|  | <b>\$ 96,302</b>   | <b>\$104,217</b> | <b>\$200,519</b> | <b>\$136,848</b> |

TOWN OF ELTON, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended December 31, 2003  
With Comparative Totals for Year Ended December 31, 2002

|  | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Totals</u>     |                   |
|--|----------------------------|-------------------------|-------------------|-------------------|
|  |                            |                         | <u>2003</u>       | <u>2002</u>       |
| <b>Revenues:</b>   |                            |                         |                   |                   |
| Taxes -  |                            |                         |                   |                   |
| Sales  | \$152,756                  | \$ -                    | \$152,756         | \$ 147,375        |
| Ad valorem   | -                          | 26,818                  | 26,818            | 23,603            |
| Miscellaneous  | -                          | 598                     | 598               | 1,571             |
| Total revenues   | <u>152,756</u>             | <u>27,416</u>           | <u>180,172</u>    | <u>172,549</u>    |
| <b>Expenditures:</b>   |                            |                         |                   |                   |
| Current -  |                            |                         |                   |                   |
| General government:  |                            |                         |                   |                   |
| Professional fees  | 1,279                      | 1,500                   | 2,779             | 5,763             |
| Collection fees  | 3,206                      | -                       | 3,206             | 3,326             |
| Miscellaneous  | 317                        | 611                     | 928               | 831               |
| Total general government   | <u>4,802</u>               | <u>2,111</u>            | <u>6,913</u>      | <u>9,920</u>      |
| Debt service -   |                            |                         | -                 |                   |
| Principal retirement   | -                          | 44,000                  | 44,000            | 44,000            |
| Interest and fiscal charges  | -                          | 19,688                  | 19,688            | 21,786            |
| Total debt service   | <u>-</u>                   | <u>63,688</u>           | <u>63,688</u>     | <u>65,786</u>     |
| Total expenditures   | <u>4,802</u>               | <u>65,799</u>           | <u>70,601</u>     | <u>75,706</u>     |
| Excess (deficiency) of revenues<br>over expenditures                                     | <u>147,954</u>             | <u>(38,383)</u>         | <u>109,571</u>    | <u>96,843</u>     |
| <b>Other financing sources (uses):</b>   |                            |                         |                   |                   |
| Transfers in   | -                          | 47,194                  | 47,194            | 73,291            |
| Transfers out  | <u>(93,094)</u>            | <u>-</u>                | <u>(93,094)</u>   | <u>(147,384)</u>  |
| Total financing sources (uses)   | <u>(93,094)</u>            | <u>47,194</u>           | <u>(45,900)</u>   | <u>(74,093)</u>   |
| Excess (deficiency) of revenues and<br>other sources over expenditures<br>and other uses | 54,860                     | 8,811                   | 63,671            | 22,750            |
| Fund balances, beginning   | <u>41,442</u>              | <u>95,406</u>           | <u>136,848</u>    | <u>114,098</u>    |
| Fund balances, ending  | <u>\$ 96,302</u>           | <u>\$ 104,217</u>       | <u>\$ 200,519</u> | <u>\$ 136,848</u> |

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **1975 Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges, constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishing thereof; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana.

### **1991 Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the maintenance, repairs, and upkeep of streets in the Town of Elton, Louisiana.

TOWN OF ELTON, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Balance Sheet  
December 31, 2003  
With Comparative Totals for December 31, 2002

|                                    | 1975<br>Sales<br>Tax | 1991<br>Sales<br>Tax | <u>Totals</u>   |                 |
|------------------------------------|----------------------|----------------------|-----------------|-----------------|
|                                    |                      |                      | <u>2003</u>     | <u>2002</u>     |
| <b>ASSETS</b>                      |                      |                      |                 |                 |
| Cash                               | \$32,149             | \$50,731             | \$82,880        | \$30,520        |
| Taxes receivable                   | <u>6,711</u>         | <u>6,711</u>         | <u>13,422</u>   | <u>10,922</u>   |
| Total assets                       | <u>\$38,860</u>      | <u>\$57,442</u>      | <u>\$96,302</u> | <u>\$41,442</u> |
| <b>FUND BALANCES</b>               |                      |                      |                 |                 |
| Fund balances:                     |                      |                      |                 |                 |
| Designated for street improvements | \$ -                 | \$57,442             | \$57,442        | \$30,626        |
| Unreserved, undesignated           | <u>38,860</u>        | <u>-</u>             | <u>38,860</u>   | <u>10,816</u>   |
| Total fund balances                | <u>\$38,860</u>      | <u>\$57,442</u>      | <u>\$96,302</u> | <u>\$41,442</u> |



TOWN OF ELTON, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Year Ended December 31, 2003  
With Comparative Totals for Year Ended December 31, 2002

|   | 1975<br>Sales<br>Tax | 1991<br>Sales<br>Tax | Totals           |                  |
|---|----------------------|----------------------|------------------|------------------|
|   |                      |                      | 2003             | 2002             |
| <b>Revenues:</b>  |                      |                      |                  |                  |
| Taxes - sales   | \$76,378             | \$76,378             | \$152,756        | \$147,375        |
| Miscellaneous - interest  | -                    | -                    | -                | 456              |
| <b>Total revenues</b>   | <u>76,378</u>        | <u>76,378</u>        | <u>152,756</u>   | <u>147,831</u>   |
| <b>Expenditures:</b>  |                      |                      |                  |                  |
| <b>Current -</b>  |                      |                      |                  |                  |
| <b>General government:</b>  |                      |                      |                  |                  |
| Professional fees   | 514                  | 765                  | 1,279            | 3,950            |
| Collection fees   | 1,603                | 1,603                | 3,206            | 3,326            |
| Miscellaneous   | 317                  | -                    | 317              | 46               |
| <b>Total general government</b>   | <u>2,434</u>         | <u>2,368</u>         | <u>4,802</u>     | <u>7,322</u>     |
| <b>Excess of revenues over expenditures</b>   | <u>73,944</u>        | <u>74,010</u>        | <u>147,954</u>   | <u>140,509</u>   |
| <b>Other financing sources (uses):</b>  |                      |                      |                  |                  |
| Transfers to General Fund   | (35,000)             | -                    | (35,000)         | (68,000)         |
| Transfers to Utility Fund   | (10,900)             | -                    | (10,900)         | (10,500)         |
| Transfers to 2001 Cert of Indebtedness Fund   | -                    | (47,194)             | (47,194)         | (73,291)         |
| Transfer from Drainage Improvements Fund  | -                    | -                    | -                | 4,407            |
| <b>Total other financing sources (uses)</b>   | <u>(45,900)</u>      | <u>(47,194)</u>      | <u>(93,094)</u>  | <u>(147,384)</u> |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | 28,044               | 26,816               | 54,860           | (6,875)          |
| <b>Fund balances, beginning</b>   | <u>10,816</u>        | <u>30,626</u>        | <u>41,442</u>    | <u>48,317</u>    |
| <b>Fund balances, ending</b>  | <u>\$38,860</u>      | <u>\$57,442</u>      | <u>\$ 96,302</u> | <u>\$ 41,442</u> |

TOWN OF ELTON, LOUISIANA  
 Nonmajor Special Revenue Fund  
 1975 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2003  
 With Comparative Actual Amounts for Year Ended December 31, 2002

|  | 2003             |                  | Variance -<br>Favorable<br>(Unfavorable) | 2002<br>Actual   |
|--|------------------|------------------|--|------------------|
|  | Budget           | Actual           |  |                  |
| <b>Revenues:</b>                                       |                  |                  |  |                  |
| Taxes  | <u>\$ 73,800</u> | <u>\$ 76,378</u> | <u>\$ 2,578</u>                          | <u>\$ 73,651</u> |
| <b>Expenditures:</b>                                   |                  |                  |  |                  |
| Current -  |                  |                  |  |                  |
| General government:                                    |                  |                  |  |                  |
| Professional fees                                      | 3,000            | 514              | 2,486                                    | 2,100            |
| Collection fees  | 2,000            | 1,603            | 397                                      | 1,663            |
| Miscellaneous  | <u>350</u>       | <u>317</u>       | <u>33</u>                                | <u>44</u>        |
| Total general government                               | <u>5,350</u>     | <u>2,434</u>     | <u>2,916</u>                             | <u>3,807</u>     |
| Excess of revenues over expenditures                   | <u>68,450</u>    | <u>73,944</u>    | <u>5,494</u>                             | <u>69,844</u>    |
| <b>Other financing uses:</b>                           |                  |                  |  |                  |
| Transfers to General Fund                              | (50,000)         | (35,000)         | 15,000                                   | (68,000)         |
| Transfers to Utility Fund                              | <u>(9,900)</u>   | <u>(10,900)</u>  | <u>(1,000)</u>                           | <u>(10,500)</u>  |
| Total other financing uses                             | <u>(59,900)</u>  | <u>(45,900)</u>  | <u>14,000</u>                            | <u>(78,500)</u>  |
| Excess of revenues<br>over expenditures and other uses | 8,550            | 28,044           | 19,494                                   | (8,656)          |
| Fund balance, beginning                                | <u>10,816</u>    | <u>10,816</u>    | -  | <u>19,472</u>    |
| Fund balance, ending                                   | <u>\$ 19,366</u> | <u>\$ 38,860</u> | <u>\$ 19,494</u>                         | <u>\$ 10,816</u> |

TOWN OF ELTON, LOUISIANA  
 Nonmajor Special Revenue Fund  
 1991 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2003  
 With Comparative Actual Amounts for Year Ended December 31, 2002

|  | 2003             |                  | Variance -<br>Favorable<br>(Unfavorable) | 2002<br>Actual   |
|--|------------------|------------------|--|------------------|
|  | Budget           | Actual           |  |                  |
| <b>Revenues:</b>   |                  |                  |  |                  |
| Taxes  | \$ 73,800        | \$ 76,378        | \$ 2,578                                 | \$ 73,724        |
| Miscellaneous - interest   | 5,000            | -                | (5,000)                                  | 456              |
| <b>Total revenues</b>  | <u>78,800</u>    | <u>76,378</u>    | <u>(2,422)</u>                           | <u>74,180</u>    |
| <b>Expenditures:</b>   |                  |                  |  |                  |
| Current -  |                  |                  |  |                  |
| General government:  |                  |                  |  |                  |
| Professional fees  | 3,000            | 765              | 2,235                                    | 1,850            |
| Collection fees  | 2,000            | 1,603            | 397                                      | 1,663            |
| Miscellaneous  | -                | -                | -  | 2                |
| <b>Total general government</b>  | <u>5,000</u>     | <u>2,368</u>     | <u>2,632</u>                             | <u>3,515</u>     |
| <b>Excess of revenues over expenditures</b>  | <u>73,800</u>    | <u>74,010</u>    | <u>210</u>                               | <u>70,665</u>    |
| <b>Other financing sources (uses):</b>   |                  |                  |  |                  |
| Transfer from Drainage Improvements Fund   | -                | -                | -  | 4,407            |
| Transfers to 2001 Certificates of Indebtedness                                       | (47,288)         | (47,194)         | 94                                       | (73,291)         |
| <b>Total other financing sources (uses)</b>  | <u>(47,288)</u>  | <u>(47,194)</u>  | <u>94</u>                                | <u>(68,884)</u>  |
| <b>Excess of revenues and other sources<br/>    over expenditures and other uses</b> | 26,512           | 26,816           | 304                                      | 1,781            |
| Fund balance, beginning  | <u>30,626</u>    | <u>30,626</u>    | -  | <u>28,845</u>    |
| Fund balance, ending   | <u>\$ 57,138</u> | <u>\$ 57,442</u> | <u>\$ 304</u>                            | <u>\$ 30,626</u> |

## **NONMAJOR DEBT SERVICE FUNDS**

### **Public Improvement Bonds dated 10/22/80**

To accumulate monies for payment of the 1980 \$224,000 Public Improvement Sewer Bonds. Debt Service is financed by the levy of a specific ad valorem tax.

### **Certificates of Indebtedness, Series 2001**

To accumulate monies for payment of the 2001 \$380,000 Certificates of Indebtedness. Debt service is financed by the levy of a 1% sales and use tax.

TOWN OF ELTON, LOUISIANA  
Nonmajor Debt Service Funds

Combining Balance Sheet  
December 31, 2003  
With Comparative Totals for December 31, 2002

|                           | <u>1980<br/>Public<br/>Improvement<br/>Bond</u> | <u>2001<br/>Certificates<br/>of<br/>Indebtedness</u> | <u>Totals</u>     |                  |
|---------------------------|---|--|-------------------|------------------|
|                           |   |  | <u>2003</u>       | <u>2002</u>      |
| <b>ASSETS</b>             |   |  |                   |                  |
| Cash                      | \$ -  | \$ 23,115  | \$ 23,115         | \$ 23,820        |
| Interest-bearing deposits | 66,451  | -  | 66,451            | 57,273           |
| Receivables               |   |  |                   |                  |
| Taxes                     | 6,423   | -  | 6,423             | 6,085            |
| Due from other funds      | <u>8,228</u>                                    | <u>-</u>   | <u>8,228</u>      | <u>8,228</u>     |
| Total assets              | <u>\$ 81,102</u>                                | <u>\$ 23,115</u>                                     | <u>\$ 104,217</u> | <u>\$ 95,406</u> |
| <b>FUND BALANCES</b>      |   |  |                   |                  |
| Fund balances:            |   |  |                   |                  |
| Reserved for debt service | <u>\$ 81,102</u>                                | <u>\$ 23,115</u>                                     | <u>\$ 104,217</u> | <u>\$ 95,406</u> |

TOWN OF ELTON, LOUISIANA  
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2003  
With Comparative Totals for Year Ended December 31, 2002

|  | 1980<br>Public<br>Improvement<br>Bond | 2001<br>Certificates<br>of<br>Indebtedness | Totals           |                  |
|--|---------------------------------------|--|------------------|------------------|
|  |                                       |  | <u>2003</u>      | <u>2002</u>      |
| <b>Revenues:</b>   |                                       |  |                  |                  |
| Taxes -  |                                       |  |                  |                  |
| Ad valorem   | \$26,818                              | \$ -                                       | \$ 26,818        | \$ 23,603        |
| Miscellaneous -  |                                       |  |                  |                  |
| Interest on deposits   | <u>598</u>                            | <u>-</u>                                   | <u>598</u>       | <u>1,115</u>     |
| Total revenues   | <u>27,416</u>                         | <u>-</u>                                   | <u>27,416</u>    | <u>24,718</u>    |
| <b>Expenditures:</b>   |                                       |  |                  |                  |
| Current -  |                                       |  |                  |                  |
| General government:  |                                       |  |                  |                  |
| Professional fees  | 1,500                                 | -  | 1,500            | 1,813            |
| Miscellaneous  | <u>-</u>                              | <u>611</u>                                 | <u>611</u>       | <u>785</u>       |
| Total general government   | <u>1,500</u>                          | <u>611</u>                                 | <u>2,111</u>     | <u>2,598</u>     |
| Debt service -   |                                       |  |                  |                  |
| Principal retirement   | 14,000                                | 30,000                                     | 44,000           | 44,000           |
| Interest   | <u>2,400</u>                          | <u>17,288</u>                              | <u>19,688</u>    | <u>21,786</u>    |
| Total debt service   | <u>16,400</u>                         | <u>47,288</u>                              | <u>63,688</u>    | <u>65,786</u>    |
| Total expenditures   | <u>17,900</u>                         | <u>47,899</u>                              | <u>65,799</u>    | <u>68,384</u>    |
| Excess (deficiency) of revenues<br>over expenditures                   | 9,516                                 | (47,899)                                   | (38,383)         | (43,666)         |
| <b>Other financing sources:</b>  |                                       |  |                  |                  |
| Transfers in   | <u>-</u>                              | <u>47,194</u>                              | <u>47,194</u>    | <u>73,291</u>    |
| Excess (deficiency) of revenues and<br>other sources over expenditures | 9,516                                 | (705)                                      | 8,811            | 29,625           |
| Fund balances, beginning   | <u>71,586</u>                         | <u>23,820</u>                              | <u>95,406</u>    | <u>65,781</u>    |
| Fund balances, ending  | <u>\$81,102</u>                       | <u>\$23,115</u>                            | <u>\$104,217</u> | <u>\$ 95,406</u> |

TOWN OF ELTON, LOUISIANA  
 Nonmajor Debt Service Fund  
 1980 Public Improvement Bond Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2003  
 With Comparative Actual Amounts for Year Ended December 31, 2002

|   | 2003            |                 | Variance -<br>Favorable<br>(Unfavorable) | 2002<br>Actual  |
|---|-----------------|-----------------|--|-----------------|
|   | Budget          | Actual          |  |                 |
| <b>Revenues:</b>                            |                 |                 |  |                 |
| Taxes -ad valorem                           | \$23,000        | \$26,818        | \$ 3,818                                 | \$23,603        |
| Miscellaneous - interest                    | 500             | 598             | 98                                       | 1,115           |
| <b>Total revenues</b>                       | <u>23,500</u>   | <u>27,416</u>   | <u>3,916</u>                             | <u>24,718</u>   |
| <b>Expenditures:</b>                        |                 |                 |  |                 |
| Current -                                   |                 |                 |  |                 |
| General government:                         |                 |                 |  |                 |
| Professional fees                           | <u>2,500</u>    | <u>1,500</u>    | <u>1,000</u>                             | <u>1,813</u>    |
| Debt service -                              |                 |                 |  |                 |
| Principal retirement                        | 14,000          | 14,000          | -  | 14,000          |
| Interest                                    | <u>2,400</u>    | <u>2,400</u>    | -  | <u>3,100</u>    |
| <b>Total debt service</b>                   | <u>16,400</u>   | <u>16,400</u>   | -  | <u>17,100</u>   |
| <b>Total expenditures</b>                   | <u>18,900</u>   | <u>17,900</u>   | <u>1,000</u>                             | <u>18,913</u>   |
| <b>Excess of revenues over expenditures</b> | 4,600           | 9,516           | 4,916                                    | 5,805           |
| Fund balance, beginning                     | <u>71,586</u>   | <u>71,586</u>   | -  | <u>65,781</u>   |
| Fund balance, ending                        | <u>\$76,186</u> | <u>\$81,102</u> | <u>\$ 4,916</u>                          | <u>\$71,586</u> |

TOWN OF ELTON, LOUISIANA  
 Nonmajor Debt Service Fund  
 2001 Certificates of Indebtedness Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
 Budget (GAAP Basis) and Actual  
 Year Ended December 31, 2003  
 With Comparative Actual Amounts for Year Ended December 31, 2002

|  | 2003      |           | Variance -<br>Favorable<br>(Unfavorable) | 2002<br>Actual |
|--|-----------|-----------|--|----------------|
|  | Budget    | Actual    |  |                |
| Revenues:  | \$ -      | \$ -      | \$ -                                     | \$ -           |
| Expenditures:  |           |           |  |                |
| Current -  |           |           |  |                |
| General government:  |           |           |  |                |
| Miscellaneous  | 500       | 611       | (111)                                    | 785            |
| Debt service -   |           |           |  |                |
| Principal retirement   | 30,000    | 30,000    | -  | 30,000         |
| Interest   | 15,870    | 17,288    | (1,418)                                  | 18,686         |
| Total debt service   | 45,870    | 47,288    | (1,418)                                  | 48,686         |
| Total expenditures   | 46,370    | 47,899    | (1,529)                                  | 49,471         |
| Deficiency of revenues over expenditures                               | (46,370)  | (47,899)  | (1,529)                                  | (49,471)       |
| Other financing sources:   |           |           |  |                |
| Transfers from 1991 Sales Tax Fund                                     | 45,870    | 47,194    | 1,324                                    | 73,291         |
| Excess (deficiency) of revenues<br>and other sources over expenditures | (500)     | (705)     | (205)                                    | 23,820         |
| Fund balance, beginning  | 23,820    | 23,820    | -  | -              |
| Fund balance, ending   | \$ 23,320 | \$ 23,115 | \$ (205)                                 | \$ 23,820      |



TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2003

Records maintained by the Town indicated the following number of customers were being served during the months of December, 2003 and 2002:

| <u>Department</u> | <u>2003</u> | <u>2002</u> |
|-------------------|-------------|-------------|
| Water (metered)   | 537         | 536         |
| Sewer             | 500         | 496         |
| Garbage           | 510         | 510         |

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses by Department  
Years Ended December 31, 2003 and 2002

|                                    | <u>2003</u>      | <u>2002</u>      |
|------------------------------------|------------------|------------------|
| <b>Water department:</b>           |                  |                  |
| Bad debts                          | \$ 1,834         | \$ 1,623         |
| Bank charges                       | 772              | 586              |
| Depreciation                       | 28,939           | 30,051           |
| Insurance                          | 3,914            | 3,376            |
| Legal and professional fees        | 2,655            | 4,264            |
| Office expense and supplies        | 3,242            | 2,506            |
| Payroll taxes                      | 2,678            | 3,066            |
| Repairs and maintenance            | 6,219            | 10,781           |
| Salaries                           | 35,068           | 40,436           |
| Supplies                           | 582              | -                |
| Truck expense                      | 648              | 431              |
| Utilities                          | 836              | 778              |
| Water purchases                    | <u>49,640</u>    | <u>48,620</u>    |
| <b>Total water department</b>      | <u>137,027</u>   | <u>146,518</u>   |
| <b>Sewer department:</b>           |                  |                  |
| Bad debts                          | 2,205            | 1,137            |
| Depreciation                       | 35,545           | 35,572           |
| Insurance                          | 4,979            | 3,745            |
| Legal and professional fees        | 2,799            | 4,491            |
| Miscellaneous                      | 331              | 704              |
| Office expense and supplies        | 212              | 269              |
| Payroll taxes                      | 1,240            | 1,022            |
| Repairs and maintenance            | 24,118           | 23,500           |
| Salaries                           | 16,240           | 13,487           |
| Supplies                           | 4,772            | 5,683            |
| Sewer analysis                     | 1,980            | 3,673            |
| Truck expense                      | 813              | 639              |
| Utilities                          | <u>23,035</u>    | <u>21,832</u>    |
| <b>Total sewer department</b>      | <u>118,269</u>   | <u>115,754</u>   |
| <b>Sanitation department:</b>      |                  |                  |
| Bad debts                          | 2,245            | 1,220            |
| Office expense and supplies        | 174              | 130              |
| Collection fees                    | <u>63,690</u>    | <u>63,194</u>    |
| <b>Total sanitation department</b> | <u>66,109</u>    | <u>64,544</u>    |
| <b>Total operating expenses</b>    | <u>\$321,405</u> | <u>\$326,816</u> |

TOWN OF ELTON, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds  
December 31, 2003

|  | <u>Financial Institution</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u>      |
|--|------------------------------|----------------------|----------------------|--------------------|
| <b>Major governmental funds:</b>                                     |                              |                      |                      |                    |
| Coushatta Tribe Community Grant Fund -<br>Money market account       | (A)                          | N/A                  | variable             | <u>\$ 171,073</u>  |
| 2002 Certificate of Indebtedness Bond Fund -<br>Money market account | (H)                          | N/A                  | variable             | <u>413,800</u>     |
| Drainage Improvement Fund -<br>Money market account                  | (J)                          | N/A                  | variable             | <u>316,109</u>     |
| <b>Nonmajor governmental funds:</b>                                  |                              |                      |                      |                    |
| <b>Debt Service Funds:</b>   |                              |                      |                      |                    |
| 1980 Public Improvement Bond Fund -<br>Certificate of Deposit        | (A)                          | 03/24/04             |                      | 18,379             |
| Certificate of Deposit   | (A)                          | 03/24/04             |                      | 16,861             |
| Money market account   | (A)                          | N/A                  | variable             | <u>31,211</u>      |
|  |                              |                      |                      | <u>66,451</u>      |
| <b>Utility Fund:</b>   |                              |                      |                      |                    |
| <b>Unrestricted assets -</b>   |                              |                      |                      |                    |
| Certificate of Deposit   | (A)                          | 12/10/04             | 1.61%                | 10,392             |
| Money market account   | (A)                          | N/A                  | variable             | 4,569              |
| Money market account   | (A)                          | N/A                  | variable             | <u>46,414</u>      |
| Total unrestricted assets  |                              |                      |                      | <u>61,375</u>      |
| <b>Restricted assets -</b>   |                              |                      |                      |                    |
| Certificate of Deposit   | (A)                          | 12/10/04             | 1.25%                | 2,621              |
| Certificate of Deposit   | (A)                          | 10/05/04             | 1.25%                | 3,073              |
| Certificate of Deposit   | (A)                          | 09/29/04             | 1.25%                | 2,816              |
| Certificate of Deposit   | (A)                          | 10/03/04             | 1.25%                | 2,891              |
| Certificate of Deposit   | (A)                          | 10/17/04             | 1.25%                | 3,087              |
| Certificate of Deposit   | (A)                          | 01/30/04             | 1.25%                | 3,165              |
| Certificate of Deposit   | (A)                          | 03/02/04             | 1.25%                | 2,928              |
| Certificate of Deposit   | (A)                          | 09/06/04             | 1.25%                | 2,541              |
| Certificate of Deposit   | (A)                          | 12/04/04             | 1.25%                | 2,521              |
| Certificate of Deposit   | (A)                          | 12/02/04             | 1.25%                | 2,500              |
| Certificate of Deposit   | (A)                          | 08/25/06             | 2.00%                | 2,500              |
| Money market account   | (H)                          | N/A                  | variable             | 21,319             |
| Money market account   | (A)                          | N/A                  | variable             | 26,403             |
| Money market account   | (A)                          | N/A                  | variable             | 4,878              |
| Money market account   | (A)                          | N/A                  | variable             | 7,400              |
| Money market account   | (A)                          | N/A                  | variable             | <u>29,247</u>      |
| Total restricted assets  |                              |                      |                      | <u>119,890</u>     |
| Total Utility Fund   |                              |                      |                      | <u>181,265</u>     |
| Total - all funds  |                              |                      |                      | <u>\$1,148,698</u> |

Investments with:

- (A) American Bank, Welsh, Louisiana
- (H) Hibernia National Bank, New Orleans, Louisiana
- (J) Jeff Davis Bank, Jennings, Louisiana

TOWN OF ELTON, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
December 31, 2003

| <u>Description of Coverage</u>  | <u>Coverage Amounts</u> |
|---|-------------------------|
| <b>Workmen's Compensation:</b>  | Statutory               |
| Employer's liability - accident   | \$ 100,000              |
| Employer's liability - disease limit  | 500,000                 |
| Employer's liability - disease each employee  | 100,000                 |
| All risk coverage on water tower  | 130,000                 |
| Sewer equipment coverage  | 257,107                 |
| <b>Surety Bonds:</b>  |                         |
| Mayor/Council   | 80,000                  |
| Town clerk  | 30,000                  |
| Assistant town clerk  | 7,000                   |
| <b>Fire and wind coverage on Town of Elton buildings:</b>   |                         |
| Senior citizens building  | 25,000                  |
| City hall and police station  | 218,000                 |
| Contents of city hall and police station  | 15,000                  |
| Old depot building  | 50,000                  |
| <b>Law enforcement and officer liability:</b>   |                         |
| All coverage (other than products - completed operations and errors and omissions injury) aggregate | 500,000                 |
| Error or omission, aggregate  | 500,000                 |
| <b>Automobile coverage:</b>   |                         |
| General liability, aggregate  | 500,000                 |
| Bodily injury and property damage   | 1,000                   |
| Uninsured motorist  | 50,000                  |
| <b>Commercial:</b>  |                         |
| General liability, aggregate  | 500,000                 |

**COMPLIANCE  
AND  
INTERNAL CONTROL**

**KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC**  
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CERTIFIED PUBLIC ACCOUNTANTS

\* A Professional Accounting Corporation

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

The Honorable Catherine Hollingsworth, Mayor  
and members of the Board of Aldermen  
Town of Elton, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Elton, Louisiana, as of and for the year ended December 31, 2003, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 4, 2004. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Town of Elton'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 one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying summary schedule of current and prior year audit findings as item 03-1(C).

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Elton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings as item 03-1(IC).

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Phone (337) 893-7944  
Fax (337) 893-7946

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the Town's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. 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.

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

Oberlin, Louisiana  
May 4, 2004

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Catherine Hollingsworth, Mayor  
and members of the Board of Aldermen  
Town of Elton, Louisiana

Compliance

We have audited the compliance of the Town of Elton, Louisiana (the Town) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2003. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

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### Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Town's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. 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.

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

Oberlin, Louisiana  
May 4, 2004

TOWN OF ELTON, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2003

| <u>Federal Grantor/Pass-Through<br/>Grantor/Program Name</u>  | <u>CFDA<br/>Number</u> | <u>Revenue<br/>Recognized</u> | <u>Expenditures</u> |
|---|------------------------|-------------------------------|---------------------|
| United States Department of Housing and<br>Urban Development -<br>Community Development Block Grants/<br>State's Program - Housing Rehabilitation | 14.228                 | \$ 333,050                    | \$ 333,050          |
| Federal Emergency Management Agency -<br>Disaster Housing Program   | 83.545                 | <u>13,757</u>                 | <u>13,757</u>       |
| Total   |                        | <u>\$ 346,807</u>             | <u>\$ 346,807</u>   |

TOWN OF ELTON, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2003

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Elton (the Town). The Town's reporting entity is defined in Note 1 to the basic financial statements for the year ended December 31, 2003. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Community Development Block Grant Housing Rehabilitation Program was considered a major federal program of the Town for the year ended December 31, 2003.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended December 31, 2003.

TOWN OF ELTON, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2003

Part I. Summary of Auditors' Results:

1. An unqualified opinion was issued on the basic financial statements of the Town of Elton.
2. One reportable condition in internal control was disclosed by the audit of the financial statements. This reportable condition was considered to be a material weakness.
3. One instance of noncompliance was disclosed by the audit of the financial statements.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
5. *An unqualified opinion was issued on compliance for the major program.*
6. The audit disclosed no compliance findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was the Department of Housing and Urban Development Community Development Block Grant Housing Rehabilitation Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

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

A. Compliance Findings –

See compliance finding 03-1(C) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

B. Internal Control Finding –

See internal control finding 03-1(IC) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

(continued)

TOWN OF ELTON, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2003

**Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:**

**A. Compliance Findings –**

There were no compliance findings to be reported under the above guidance.

**B. Internal Control Findings –**

There were no internal control findings to be reported under the above guidance.

TOWN OF ELTON, LOUISIANA

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

| <u>Ref. No.</u>                   | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of Finding</u>  | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u>   | <u>Name of Contact Person</u>          | <u>Anticipated Date of Completion</u> |
|-----------------------------------|---|--|--------------------------------|--|--|---------------------------------------|
| <u>CURRENT YEAR (12/31/03) --</u> |   |  |                                |  |  |                                       |
| <u>Compliance</u>                 |   |  |                                |  |  |                                       |
| 03-1 (C)                          | 2003  | The Town violated R.S. 42:1121 by appointing a former councilmen who had served within the prior two years, to a vacant councilmen position in 2003.   | Yes                            | The Town concurs with this finding and intends to comply with R.S. 42:1121.  | Verian Ortego,<br>Assistant Town Clerk | 2004                                  |
| <u>Internal Control</u>           |   |  |                                |  |  |                                       |
| 03-1 (IC)                         | Unknown                                       | Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.  | N/A                            | No response is considered necessary.   | Verian Ortego,<br>Assistant Town Clerk | N/A                                   |
| <u>PRIOR YEAR (12/31/02) --</u>   |   |  |                                |  |  |                                       |
| <u>Compliance</u>                 |   |  |                                |  |  |                                       |
| 02-1 (C)                          | 2002  | Town resources were used to perform work and make improvements to private property in violation of Article VII, Section 14 (A) of the Louisiana constitution. The town paid \$9,605 to a local contractor for work that was performed on private property.   | Yes                            | The Town's new mayor, appointed on June 9, 2003 and the new council that took office January 1, 2003, concur with this finding. The mayor and council are reviewing operations and making improvements to ensure use of town resources are not used for private purposes in violation of Article VII, section 14(A). | Verian Ortego,<br>Assistant Town Clerk | 2003                                  |
| 02-2 (C)                          | 2002  | The town failed to comply with R. S. 38:2212 by failing to bid out services paid out to a contractor. Total fees paid to the contractor amounted to over \$80,000. Additionally the town failed to obtain three quotes in the purchase of a police dog amounting to \$9,460 in violation of R. S. 38:2212. | Yes                            | The Town concurs with this finding and the new mayor and council intend to fully comply with the public bid law in future transactions.  | Verian Ortego,<br>Assistant Town Clerk | 2003                                  |

TOWN OF ELTON, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
December 31, 2003

| <u>Fiscal Year</u><br><u>Finding</u><br><u>Initially</u><br><u>Occurred</u> | <u>Description of Finding</u>   | <u>Corrective</u><br><u>Action</u><br><u>Taken</u> | <u>Corrective Action Planned</u>  | <u>Name of</u><br><u>Contact Person</u>   | <u>Anticipated</u><br><u>Date of</u><br><u>Completion</u> |
|---|---|--|---|---|---|
| <u>PRIOR YEAR (12/31/02) --</u>   |   |  |   |   |   |
| <u>Internal Control</u>   |   |  |   |   |   |
| 02-1 (IC)   | Unknown Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.   | N/A  | No response is considered necessary.  | Verian Ortego,<br>Assistant Town<br>Clerk | N/A   |
| <u>Management Letter</u>  |   |  |   |   |   |
| 02-1(ML)  | The Town should review its procedures regarding adjustment of fines in city court. Per the Town's policy, only the magistrate who is a local attorney, can reduce fines with cause. The mayor should not be involved in this process. | Yes  | The town concurs with this finding and will not allow adjustment of fines by the mayor. | Verian Ortego,<br>Assistant Town<br>Clerk | 2003  |