

**TOWN OF COUSHATTA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE 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 10-23-04

**TOWN OF COUSHATTA, LOUISIANA**  
**DECEMBER 31, 2003**  
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TOWN OF COUSHATTA, LOUISIANA  
TRANSMITTAL LETTER  
ANNUAL FINANCIAL STATEMENTS  
DECEMBER 31, 2003

May 21, 2004

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Sirs:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Town of Coushatta, Louisiana, for the year ended December 31, 2003. The report includes only funds under the control and oversight of the Town of Coushatta, Louisiana.

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

  
Town Clerk

Enclosure

TOWN OF COUSHATTA, LOUISIANA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2003

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

AFFIDAVIT

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Personally came and appeared before the undersigned authority, W. B. Robinson, Clerk of the Town of Coushatta, Louisiana, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Town of Coushatta, Louisiana, at December 31, 2003 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

  
Town Clerk

Sworn to and subscribed before me, this 21<sup>st</sup> day of May, 2004.

  
NOTARY PUBLIC



# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2188 - 133 EAST FIFTH STREET  
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## INDEPENDENT AUDITORS' REPORT

Mayor and Town Council  
Town of Coushatta  
Coushatta, Louisiana 71034

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta, 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 of Coushatta's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta, 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.

In accordance with Government Auditing Standards, we have also issued a report dated May 21, 2004, on our consideration of the Town of Coushatta, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of 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 Management's Discussion and Analysis and the budgetary information on pages 4 through 9 and 30 through 33, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Coushatta's basic financial statements. The accompanying supplemental schedules listed in the table of contents, including the schedule of expenditures of federal awards, are 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Hines, Jackson & Hines*  
Natchitoches, Louisiana  
May 21, 2004

**TOWN OF COUSHATTA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION, AND ANALYSIS**  
**DECEMBER 31, 2003**

The Management's Discussion and Analysis of the Town of Coushatta's financial performance presents a narrative overview and analysis of the Town of Coushatta's financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page 1 and the Town of Coushatta's financial statements, which begin on page 10.

**FINANCIAL HIGHLIGHTS**

**Governmental Activities**

- 1) The Town of Coushatta had cash and investments of \$811,167 at December 31, 2003 which represents an increase of \$91,565 from prior year end.
- 2) The Town of Coushatta had accounts receivable of \$468,863 at December 31, 2003 which represents a decrease of \$36,833 from prior year end.
- 3) The Town of Coushatta had accounts payable and accruals of \$32,000 at December 31, 2003 which represents an increase of \$1,268 from prior year end.
- 4) The Town of Coushatta had total revenues of \$1,019,207 for the year ended December 31, 2003 which represents an increase of \$29,899 from prior year.
- 5) The Town of Coushatta had total expenses of \$739,333 for the year ended December 31, 2003 which represents an increase of \$81,113 from prior year.
- 6) The Town of Coushatta had capital asset purchases of \$168,816 for the year ended December 31, 2003 which represents an increase of \$141,771 from prior year.

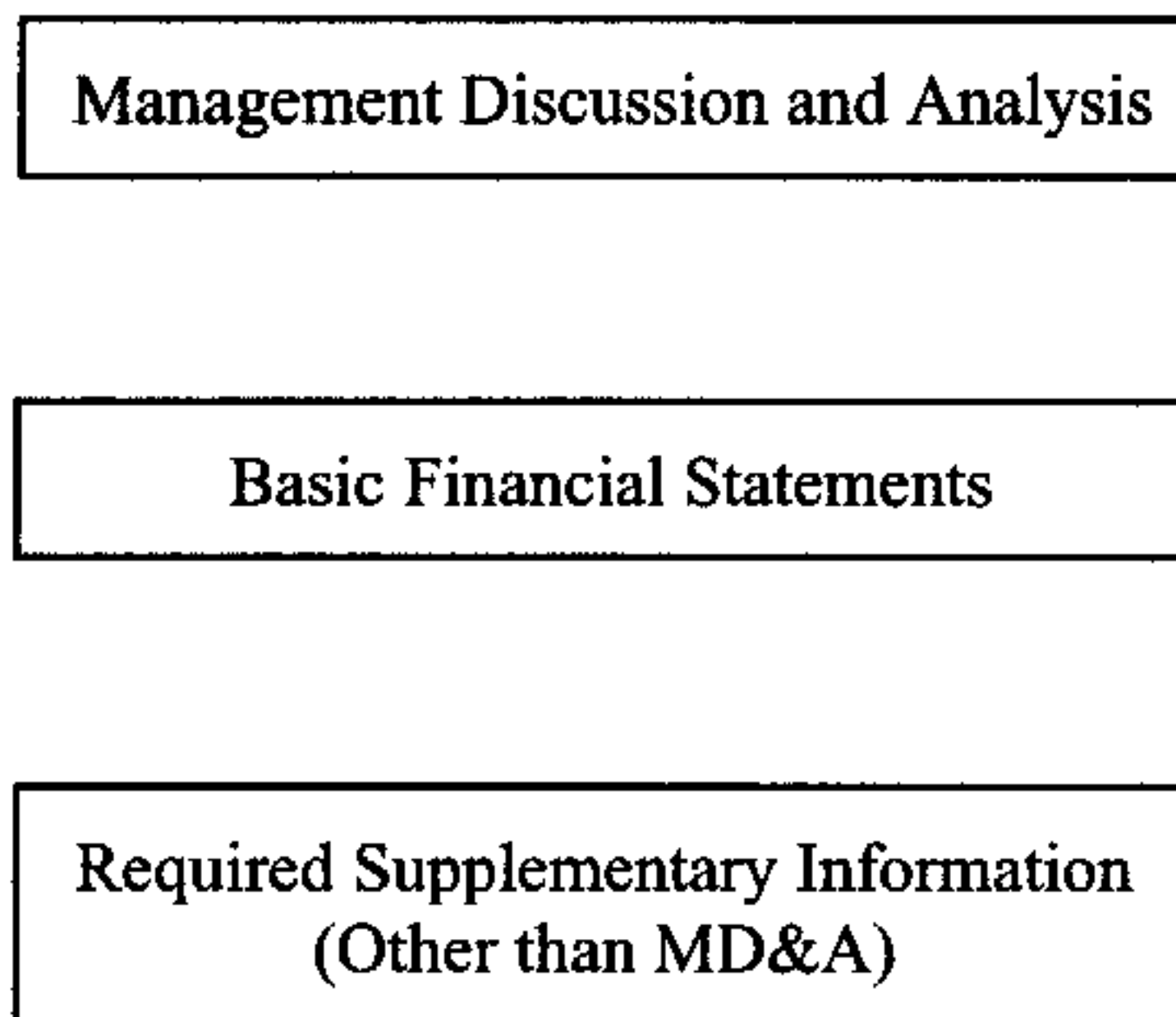
**Business-Type Activities**

- 1) The Town of Coushatta had cash and investments of \$555,933 for the year ended December 31, 2003 which represents an increase of \$46,904 from prior year.
- 2) The Town of Coushatta had accounts receivable of \$119,882 for the year ended December 31, 2003 which represents an increase of \$82,156 from prior year.
- 3) The Town of Coushatta had accounts payable and accruals of \$101,073 for the year ended December 31, 2003 which represents an increase of \$86,048 from prior year.
- 4) The Town of Coushatta had total revenues of \$796,049 for the year ended December 31, 2003 which represents an increase of \$325,726 from prior year.
- 5) The Town of Coushatta had total expenses of \$581,735 for the year ended December 31, 2003 which represents a decrease of \$65,120 from prior year.
- 6) The Town of Coushatta had capital asset purchases of \$365,902 for the year ended December 31, 2003 which represents an increase of \$322,044 from prior year.

TOWN OF COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2003

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Town of Coushatta as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Town of Coushatta as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report he Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

**Reporting the Town as a Whole**

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2003

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

These two statements report the Town's Net assets and changes in them. You can think of the Town's net assets, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Town into three kinds of activities:

Governmental Activities: Most of the Town's basic services are reported here including the police and general administration. Taxes, license and permits, fines and forfeitures, rents and commissions, interest income and state and federal grants finance most of these activities.

Business-Type Activities: The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer system and garbage collections are reported here.

Component Units: The Town includes one separate legal entity in its report, Industrial Development Corporation. Although legally separate, the component unit is important because the Town is financially accountable for it.

**Reporting the Town's Most Significant Funds**

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kind of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's activities as well as what remains for future spending.

Proprietary Funds: When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.



**TOWN OF COUSHATTA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2003**

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 1,284,573	\$ 1,226,322	\$ 677,816	\$ 554,697	\$ 0	\$ 0
Capital assets, net	623,034	531,436	1,134,206	870,077	312,274	326,300
<b>Total Assets</b>	<b>\$ 1,907,607</b>	<b>\$ 1,757,758</b>	<b>\$ 1,812,022</b>	<b>\$ 1,424,774</b>	<b>\$ 312,274</b>	<b>\$ 326,300</b>
Other liabilities	\$ 32,000	\$ 30,732	\$ 159,534	\$ 70,710	\$ 0	\$ 0
Capital lease obligations	19,304	37,200	0	0	0	0
Long-term debt	121,061	153,703	0	0	0	0
Compensated absences payable	24,170	22,853	30,830	28,792	0	0
<b>Total Liabilities</b>	<b>196,535</b>	<b>244,488</b>	<b>190,364</b>	<b>99,502</b>	<b>0</b>	<b>0</b>
<b>Net assets</b>						
Investment in capital assets, net of related debt	482,669	340,533	1,134,206	870,077	312,274	326,300
Unrestricted	1,228,403	1,172,737	487,452	455,195	0	0
<b>Total Net Assets</b>	<b>1,711,072</b>	<b>1,513,270</b>	<b>1,621,658</b>	<b>1,325,272</b>	<b>312,274</b>	<b>326,300</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,907,607</b>	<b>\$ 1,757,758</b>	<b>\$ 1,812,022</b>	<b>\$ 1,424,774</b>	<b>\$ 312,274</b>	<b>\$ 326,300</b>

Net assets of the Town of Coushatta increased by \$197,802 or 13.07%, increased by \$296,386 or 22.36%, and decreased by \$14,026 or 4.30% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2003 (See table below).

Statement of Activities  
For the Year Ended

	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
General government Expenses	\$ (739,333)	\$ (658,220)	\$ (581,735)	\$ (646,855)	\$ (14,026)	\$ (14,026)
Program revenues						
Charges for services	0	0	447,350	454,926	0	0
Capital grants and contributions	52,695	26,642	336,217	1,800	0	0
Subtotal	(686,638)	(631,578)	201,832	(190,129)	(14,026)	(14,026)
General revenues and transfers	884,440	777,105	94,554	199,158	0	0
<b>Change in net assets</b>	<b>\$ 197,802</b>	<b>\$ 145,527</b>	<b>\$ 296,386</b>	<b>\$ 9,029</b>	<b>\$ (14,026)</b>	<b>\$ (14,026)</b>

The Town of Coushatta's total revenues and transfers increased by \$133,388 or 16.60%, decreased by \$222,237 or 33.88%, and no change from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. The total cost of all programs and services increased by \$81,113 or 12.32%, decreased \$65,120 or 10.07%, and no change from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively.

**TOWN OF COUSHATTA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2003**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2003, the Town of Coushatta had \$623,034, \$1,134,206, and \$312,274 net of depreciation, in Governmental Activities, Business-Type Activities, and Component Units, respectively, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$91,598 or 17.24%, an increase of \$264,129 or 30.36% and a decrease of \$14,026 or 4.30% in Governmental Activities, Business-Type Activities, and Component Units, respectively, from the previous year.

	Capital Assets at Year End (Net of Depreciation)					
	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
Land	\$ 49,458	\$ 38,000	\$ 10,782	\$ 10,782	\$ 130,000	\$ 130,000
Buildings and other improvements	323,164	359,849	153	395	182,274	196,300
Distribution system	0	0	755,905	810,753	0	0
Streets and parking lots	96,810	58,929	0	0	0	0
Automobiles	47,999	45,998	25,904	28,749	0	0
Equipment, furniture and fixtures	105,603	28,660	14,523	19,398	0	0
Construction in progress	0	0	326,939	0	0	0
Total	<u>\$ 623,034</u>	<u>\$ 531,436</u>	<u>\$ 1,134,206</u>	<u>\$ 870,077</u>	<u>\$ 312,274</u>	<u>\$ 326,300</u>

The following is the addition and retirements for the Town of Coushatta as of December 31, 2003:

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
This year's major additions included:			
Land	\$ 11,458	\$ 0	\$ 0
Distribution system	0	26,175	0
Streets and parking lots	45,553	0	0
Automobiles	25,000	12,788	0
Equipment, furniture and fixtures	86,805	0	0
Construction in progress	0	326,939	0
Total	<u>\$ 168,816</u>	<u>\$ 365,902</u>	<u>\$ 0</u>
This year's major retirements included:			
Buildings and other improvements	\$ 601	\$ 1,108	\$ 0
Equipment, furniture and fixtures	77,017	253,400	0
Total	<u>\$ 77,618</u>	<u>\$ 254,508</u>	<u>\$ 0</u>

**Debt**

The Town of Coushatta had \$164,535, \$30,830 and \$0 in long-term liabilities payable for Governmental Activities, Business-Type Activities, and Component Units, respectively, outstanding at year end compared to \$213,756, \$28,792 and \$0 in Governmental Activities, Business-Type Activities, and Component Units, respectively, at the previous year end, as shown in the table below.

	Outstanding Debt at Year End					
	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
Capital lease obligations	\$ 19,304	\$ 37,200	\$ 0	\$ 0	\$ 0	\$ 0
Long-term debt	121,061	153,703	0	0	0	0
Compensated absences payable	24,170	22,853	30,830	28,792	0	0
Totals	<u>\$ 164,535</u>	<u>\$ 213,756</u>	<u>\$ 30,830</u>	<u>\$ 28,792</u>	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

**TOWN OF COUSHATTA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2003**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$15,653 less than budgeted amounts due to rents and commission being less than expected.

Actual expenditures were \$220,674 more than budgeted amounts due to general government and capital outlay being more than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town of Coushatta's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) License and permits
- 3) Rents and commissions

The Town of Coushatta does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE TOWN OF COUSHATTA'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Coushatta's finances and to show the Town of Coushatta's accountability for the money it receives. If you have questions about this report or need additional financial information, contact W. B. Robinson, Clerk of the Town of Coushatta, Post Office Box 531, Coushatta, Louisiana 71019.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Current Assets				
Cash	\$ 559,611	\$ 149,137	\$ 708,748	\$ 0
Investments	251,556	406,796	658,352	0
Accounts receivable	468,863	119,882	588,745	0
Prepaid expenses	4,543	2,001	6,544	0
Total Current Assets	<u>1,284,573</u>	<u>677,816</u>	<u>1,962,389</u>	<u>0</u>
Noncurrent Assets				
Capital assets, net	<u>623,034</u>	<u>1,134,206</u>	<u>1,757,240</u>	<u>312,274</u>
Total Assets	<u>\$ 1,907,607</u>	<u>\$ 1,812,022</u>	<u>\$ 3,719,629</u>	<u>\$ 312,274</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Current portion of capital lease obligation	\$ 19,304	\$ 0	\$ 19,304	\$ 0
Current portion of long-term debt	22,318	0	22,318	0
Accounts payable and accruals	<u>32,000</u>	<u>101,073</u>	<u>133,073</u>	<u>0</u>
Total Current Liabilities	<u>73,622</u>	<u>101,073</u>	<u>174,695</u>	<u>0</u>
Noncurrent Liabilities				
Capital lease obligation, net of current portion	0	0	0	0
Long-term debt, net of current portion	98,743	0	98,743	0
Compensated absences payable	24,170	30,830	55,000	0
Customer deposits	<u>0</u>	<u>58,461</u>	<u>58,461</u>	<u>0</u>
Total Liabilities	<u>196,535</u>	<u>190,364</u>	<u>386,899</u>	<u>0</u>
NET ASSETS				
Investment in capital assets, net of related debt	482,669	1,134,206	1,616,875	312,274
Unrestricted	<u>1,228,403</u>	<u>487,452</u>	<u>1,715,855</u>	<u>0</u>
Total Net Assets	<u>1,711,072</u>	<u>1,621,658</u>	<u>3,332,730</u>	<u>312,274</u>
Total Liabilities and Net Assets	<u>\$ 1,907,607</u>	<u>\$ 1,812,022</u>	<u>\$ 3,719,629</u>	<u>\$ 312,274</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
<b>Primary Government</b>								
Governmental Activities								
General Government	\$ 356,913	\$ 0	\$ 0	\$ 0	\$ (356,913)	\$ 0	\$ (356,913)	\$ 0
Public safety	262,815	0	0	0	(262,815)	0	(262,815)	0
Highways and streets	8,318	0	0	0	(8,318)	0	(8,318)	0
Culture and recreation	25,835	0	0	0	(25,835)	0	(25,835)	0
Interest	8,234	0	0	0	(8,234)	0	(8,234)	0
Depreciation	77,218	0	0	52,695	(24,523)	0	(24,523)	0
Total Governmental Activities	739,333	0	0	52,695	(686,638)	0	(686,638)	0
Business-Type Activities								
Utility fund	581,735	447,350	0	336,217	0	201,832	201,832	0
Total Business-Type Activities	581,735	447,350	0	336,217	0	201,832	201,832	0
<b>Total Primary Government</b>	<u>\$ 1,321,068</u>	<u>\$ 447,350</u>	<u>\$ 0</u>	<u>\$ 388,912</u>	<u>\$ (686,638)</u>	<u>\$ 201,832</u>	<u>\$ (484,806)</u>	<u>\$ 0</u>
<b>Component Unit</b>								
Industrial Development Corporation	\$ 14,026	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (14,026)
<b>Total Component Unit</b>	<u>\$ 14,026</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,026)</u>
<b>General Revenues</b>								
Taxes								
Ad Valorem					95,313	0	95,313	0
Franchise					98,877	0	98,877	0
Sales					335,906	0	335,906	0
Other					1,720	0	1,720	0
State revenue sharing					3,231	0	3,231	0
License and permits					146,258	0	146,258	0
Fines and forfeitures					7,407	0	7,407	0
Rents and commissions					240,047	0	240,047	0
Interest income					35,221	12,482	47,703	0
Miscellaneous					2,532	0	2,532	0
Transfers					(82,072)	82,072	0	0
<b>Total General Revenues and Transfers</b>					884,440	94,554	978,994	0
<b>Change in Net Assets</b>					197,802	296,386	494,188	(14,026)
<b>Net Assets, Beginning of year as restated</b>					1,513,270	1,325,272	2,838,542	326,300
<b>Net Assets, End of year</b>					<u>\$ 1,711,072</u>	<u>\$ 1,621,658</u>	<u>\$ 3,332,730</u>	<u>\$ 312,274</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

TOWN OF COUSHATTA, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	<u>General Fund</u>	<u>Sales Tax</u>	<u>Economic Development</u>	<u>Street Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Assets</b>						
Cash	\$ 455,010	\$ 23,882	\$ 58,635	\$ 2,746	\$ 19,338	\$ 559,611
Investments	10,000	82,558	74,323	0	84,675	251,556
Accounts receivable	72,721	33,555	335,615	5,458	21,514	468,863
Prepaid expenses	4,543	0	0	0	0	4,543
<b>Total Assets</b>	<u>\$ 542,274</u>	<u>\$ 139,995</u>	<u>\$ 468,573</u>	<u>\$ 8,204</u>	<u>\$ 125,527</u>	<u>\$ 1,284,573</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accruals	\$ 30,240	\$ 1,140	\$ 0	\$ 0	\$ 620	\$ 32,000
<b>Total Liabilities</b>	30,240	1,140	0	0	620	32,000
<b>Fund Balances</b>						
Unreserved	512,034	138,855	468,573	8,204	124,907	1,252,573
<b>Total Net Assets</b>	<u>512,034</u>	<u>138,855</u>	<u>468,573</u>	<u>8,204</u>	<u>124,907</u>	<u>1,252,573</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 542,274</u>	<u>\$ 139,995</u>	<u>\$ 468,573</u>	<u>\$ 8,204</u>	<u>\$ 125,527</u>	<u>\$ 1,284,573</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

EXHIBIT D

Total Fund Balances for Governmental Funds (Exhibit C) \$ 1,252,573

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	\$	49,458	
Buildings and other improvements, net of \$185,093 in accumulated depreciation.		323,164	
Streets and parking lots, net of \$25,459 in accumulated depreciation.		96,810	
Automobiles, net of \$91,997 in accumulated depreciation.		47,999	
Equipment, furniture, and fixtures net of \$71,142 in accumulated depreciation.	\$	<u>105,603</u>	
Total Capital Assets			623,034

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. Those liabilities consist of:

Capital lease obligations	\$	19,304	
Long-term debt		121,061	
Compensated absences payable	\$	<u>24,170</u>	
Total Long-term Liabilities			<u>(164,535)</u>

Total Net Assets of Governmental Activities (Exhibit A) \$ 1,711,072

EXHIBIT E

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund	Sales Tax	Economic Development	Street Tax	Other Governmental Funds	Total
<b>Revenues</b>						
<b>Taxes</b>						
Ad valorem	\$ 55,547	\$ 0	\$ 0	\$ 7,969	\$ 31,797	\$ 95,313
Franchise	98,877	0	0	0	0	98,877
Sales	0	335,906	0	0	0	335,906
Other	1,720	0	0	0	0	1,720
State revenue sharing	3,231	0	0	0	0	3,231
Intergovernmental	27,695	0	0	25,000	0	52,695
License and permits	146,258	0	0	0	0	146,258
Fines and forfeitures	7,407	0	0	0	0	7,407
Rents and commissions	240,047	0	0	0	0	240,047
Interest	10,952	1,815	18,532	0	3,922	35,221
Miscellaneous	722	0	0	0	1,810	2,532
<b>Total Revenues</b>	<u>592,456</u>	<u>337,721</u>	<u>18,532</u>	<u>32,969</u>	<u>37,529</u>	<u>1,019,207</u>
<b>Expenditures</b>						
General government	355,596	0	0	0	0	355,596
Public safety	255,615	0	0	0	7,200	262,815
Highways and streets	0	0	0	8,318	0	8,318
Culture and recreation	0	0	0	0	25,835	25,835
Debt service	58,772	0	0	0	0	58,772
Capital outlay	41,463	0	0	127,353	0	168,816
<b>Total Expenditures</b>	<u>711,446</u>	<u>0</u>	<u>0</u>	<u>135,671</u>	<u>33,035</u>	<u>880,152</u>
<b>Excess/(Deficiency) Of Revenues Over Expenditures</b>	<u>(118,990)</u>	<u>337,721</u>	<u>18,532</u>	<u>(102,702)</u>	<u>4,494</u>	<u>139,055</u>
<b>Other Financing Sources/(Uses)</b>						
Transfers	127,724	(317,750)	0	102,353	5,601	(82,072)
<b>Total Other Financing Sources/(Uses)</b>	<u>127,724</u>	<u>(317,750)</u>	<u>0</u>	<u>102,353</u>	<u>5,601</u>	<u>(82,072)</u>
<b>Net Change in Fund Balances</b>	<u>8,734</u>	<u>19,971</u>	<u>18,532</u>	<u>(349)</u>	<u>10,095</u>	<u>56,983</u>
<b>Fund Balances, Beginning of year</b>	<u>503,300</u>	<u>118,884</u>	<u>450,041</u>	<u>8,553</u>	<u>114,812</u>	<u>1,195,590</u>
<b>Fund Balances, End of year</b>	<u>\$ 512,034</u>	<u>\$ 138,855</u>	<u>\$ 468,573</u>	<u>\$ 8,204</u>	<u>\$ 124,907</u>	<u>\$ 1,252,573</u>

The accompanying notes are an integral part of this statement.



**TOWN OF COUSHATTA, 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**

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$	56,983
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. This is the amount by which capital outlays (\$168,816) exceeds depreciation (\$77,218) in the current period.		91,598
Governmental funds report principal repayments as expenditures. However, these amounts are not included in the statement of activities but reduces the liability in the statement of net assets. Those expenditures consist of:		
Capital lease obligations	\$ 17,896	
Long-term debt	<u>\$ 32,642</u>	
		50,538
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>(1,317)</u>
Change in Net Assets of Governmental Activities (Exhibit B)	\$	<u>197,802</u>

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2003

	<u>Utility Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 149,137	\$ 0	\$ 149,137
Investments	406,796	0	406,796
Accounts receivable	119,882	0	119,882
Prepaid expenses	<u>2,001</u>	<u>0</u>	<u>2,001</u>
Total Current Assets	677,816	0	677,816
<b>Noncurrent Assets</b>			
Capital assets, net	<u>1,134,206</u>	<u>0</u>	<u>1,134,206</u>
Total Assets	<u>\$ 1,812,022</u>	<u>\$ 0</u>	<u>\$ 1,812,022</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accruals	<u>\$ 101,073</u>	<u>\$ 0</u>	<u>\$ 101,073</u>
Total Current Liabilities	101,073	0	101,073
<b>Noncurrent Liabilities</b>			
Compensated absences payable	30,830	0	30,830
Customer deposits	<u>58,461</u>	<u>0</u>	<u>58,461</u>
Total Liabilities	190,364	0	190,364
<b>Net Assets</b>			
Investments in capital assets, net of related debt	1,134,206	0	1,134,206
Unrestricted	<u>487,452</u>	<u>0</u>	<u>487,452</u>
Total Net Assets	<u>1,621,658</u>	<u>0</u>	<u>1,621,658</u>
Total Liabilities and Net Assets	<u>\$ 1,812,022</u>	<u>\$ 0</u>	<u>\$ 1,812,022</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Utility Fund	Other Enterprise Funds	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 437,919	\$ 0	\$ 437,919
Connect fees	5,845	0	5,845
Miscellaneous	3,586	0	3,586
Total Operating Revenues	<u>447,350</u>	<u>0</u>	<u>447,350</u>
<b>OPERATING EXPENSES</b>			
Bad debt expense	953	0	953
Contractual services	12,000	0	12,000
Depreciation	101,773	0	101,773
Dues and subscriptions	3,278	0	3,278
Employee benefits	16,152	0	16,152
Fuel	7,228	0	7,228
Insurance	13,224	0	13,224
Licenses and permits	4,091	0	4,091
Miscellaneous	1,235	0	1,235
Office supplies and expense	14,586	0	14,586
Operating supplies and tools	39,319	0	39,319
Payroll taxes	2,771	0	2,771
Professional services	7,213	0	7,213
Rent	2,107	0	2,107
Repairs and maintenance	43,235	0	43,235
Retirement	11,243	0	11,243
Salaries	151,509	0	151,509
Telephone	7,907	0	7,907
Training	175	0	175
Uniforms	936	0	936
Utilities	67,654	0	67,654
Waste management	73,146	0	73,146
Total Operating Expenses	<u>581,735</u>	<u>0</u>	<u>581,735</u>
Operating Income/(Loss)	(134,385)	0	(134,385)
<b>Nonoperating Revenues/(Expenses)</b>			
Interest income	12,482	0	12,482
Grants	336,217	0	336,217
Total Nonoperating Revenues/(Expenses)	<u>348,699</u>	<u>0</u>	<u>348,699</u>
Income/(loss) before Transfers	214,314	0	214,314
Transfers	<u>82,072</u>	<u>0</u>	<u>82,072</u>
Change in Net Assets	296,386	0	296,386
Net Assets, Beginning of year	<u>1,325,272</u>	<u>0</u>	<u>1,325,272</u>
Net Assets, End of year	<u>\$ 1,621,658</u>	<u>\$ 0</u>	<u>\$ 1,621,658</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2003

	<u>Utility Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 445,641	\$ 0	\$ 445,641
Cash payments to suppliers for goods and services	(303,966)	0	(303,966)
Cash payments to employees and related benefits	(159,860)	0	(159,860)
Net Cash From Operating Activities	(18,185)	0	(18,185)
<b>Cash Flows From Noncapital Financial Activities</b>			
Transfers	82,072	0	82,072
Net Cash From Noncapital Financial Activities	82,072	0	82,072
<b>Cash Flows From Capital and Related Financing Activities</b>			
Proceeds from capital grants	336,217		336,217
Acquisition/construction of capital assets	(365,902)	0	(365,902)
Net Cash From Capital and Related Financing Activities	(29,685)	0	(29,685)
<b>Cash Flows From Investing Activities</b>			
Purchase of investments	(10,489)	0	(10,489)
Interest income	12,702	0	12,702
Cash Flows From Investing Activities	2,213	0	2,213
Net Increase/(Decrease) in Cash	36,415	0	36,415
Cash, Beginning of year	112,722	0	112,722
Cash, End of year	<u>\$ 149,137</u>	<u>\$ 0</u>	<u>\$ 149,137</u>
<b>Reconciliation of Operating Income to Net Cash From Operating Activities</b>			
Operating income/(loss)	\$ (134,385)	\$ 0	\$ (134,385)
Adjustments to reconcile operating loss to net cash from operating activities			
Depreciation expense	101,773	0	101,773
Bad debt expense	953	0	953
(Increase)/decrease in operating assets			
Accounts receivable	2,725	0	2,725
Prepaid	(80,113)	0	(80,113)
Increase/(decrease) in operating liabilities			
Accounts payable and accruals	86,048	0	86,048
Compensated absences payable	2,038	0	2,038
Customer deposits	2,776	0	2,776
Net Cash Flows From Operating Activities	<u>\$ (18,185)</u>	<u>\$ 0</u>	<u>\$ (18,185)</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
DECEMBER 31, 2003

	Industrial Development Corporation	Other Component Units	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 0	\$ 0	\$ 0
Total Current Assets	0	0	0
<b>Noncurrent Assets</b>			
Capital assets, net	312,274	0	312,274
Total Assets	\$ 312,274	\$ 0	\$ 312,274
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 0	\$ 0	\$ 0
Total Liabilities	0	0	0
<b>Net Assets</b>			
Investments in capital assets, net of related debt	312,274	0	312,274
Unrestricted	0	0	0
Total Net Assets	312,274	0	312,274
Total Liabilities and Net Assets	\$ 312,274	\$ 0	\$ 312,274

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Industrial Development Corporation	Other Component Units	Total
<b>OPERATING REVENUES</b>			
Miscellaneous	\$ 0	\$ 0	\$ 0
Total Operating Revenues	0	0	0
<b>OPERATING EXPENSES</b>			
Depreciation	14,026	0	14,026
Total Operating Expenses	14,026	0	14,026
Operating Income/(Loss)	(14,026)	0	(14,026)
<b>Nonoperating Revenues/(Expenses)</b>			
Interest income	0	0	0
Total Nonoperating Revenues/(Expenses)	0	0	0
Change in Net Assets	(14,026)	0	(14,026)
Net Assets, Beginning of year	326,300	0	326,300
Net Assets, End of year	\$ 312,274	\$ 0	\$ 312,274

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF CASH FLOWS  
COMPONENT UNITS  
FOR THE YEARS ENDED DECEMBER 31, 2003

	<u>Industrial Development Corporation</u>	<u>Other Component Units</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash payments to suppliers for goods and services	\$ 0	\$ 0	\$ 0
Net Cash From Operating Activities	0	0	0
Cash Flows From Investing Activities			
Interest income	0	0	0
Cash Flows From Investing Activities	0	0	0
Net Increase/(Decrease) in Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents, Beginning of year	0	0	0
Cash and Cash Equivalents, End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation Of Operating Income to Net Cash From Operating Activities	\$ (14,026)	\$ 0	\$ (14,026)
Adjustments to reconcile operating loss to net cash from operating activities			
Depreciation expense	14,026	0	14,026
Net Cash Flows From Operating Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2003

EXHIBIT M

	<u>Tax Collector Fund</u>
<b>Assets</b>	
Cash	\$ <u>          0</u>
<b>Total Assets</b>	<b>\$ <u>          0</u></b>
<b>Liabilities</b>	
Due to other governments	\$ <u>          0</u>
<b>Total Liabilities</b>	<b>\$ <u>          0</u></b>

The accompanying notes are an integral part of this statement.



TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

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

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.            Basis of Accounting**

The accompanying financial statements of the Town of Coushatta have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

**B.            Reporting Entity**

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town of Coushatta is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Coushatta may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town of Coushatta has one component unit (the Industrial Development Corporation of Coushatta) which is discretely presented in a separate column in the government-wide financial statements in conformity with accounting principles generally accepted in the United States of America.

**C.            Government - Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.           Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

The Town of Coushatta reports the following governmental, proprietary and fiduciary funds:

**Governmental Funds**

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

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

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

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.           Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E.            Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The Town of Coushatta prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Town amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

**F.            Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Town of Coushatta, Louisiana defines cash and cash equivalents as follows:

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

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

**G.            Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**H.            Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2003, \$5,008 and \$1,291 of Governmental and Business-Type Activities receivables, respectively, were considered to be uncollectible.

**I.            Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Town of Coushatta are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J.           Compensated Absences**

Full-time employees of the Town of Coushatta earn 80 hours of annual leave each year. The maximum amount of annual leave that may be accumulated by each employee is 480. Upon termination, an employee is compensated for up to 480 hours of unused annual leave at the employee's hourly rate of pay at the time of termination.

**K.           Sales Taxes**

The Town of Coushatta collections a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department and garbage collection and disposal facilities including the purchase of equipment there of, or for any one or more of said purposes, title to which improvements shall be in the public.

**L.           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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2           LEVIED TAXES**

The Town of Coushatta levies taxes on real and business personal property located within its boundaries. The Red River Parish Tax Assessor assesses the property values and prepares the Town's property tax roll. The Town bills and collects its own property taxes. Ad valorem taxes are levied on October 31 and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. The following is a summary of authorized and levied ad valorem taxes as of December 31, 2003:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General alimony	7.18	7.18	Statutory
Recreation Tax	3.08	3.08	2007
Street Tax	1.03	1.03	2007
Fire Tax	1.03	1.03	2007

**NOTE 3           DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.           Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Town of Coushatta may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 3            DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.            Deposits with Financial Institutions (Continued)**

accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged 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. The deposits at December 31, 2003 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet (does not include \$500 in petty cash)	<u>\$ 708,248</u>	<u>\$ 658,352</u>	<u>\$ 1,366,600</u>
	Cash	Certificates of Deposit	Total
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 252,069	\$ 200,000	\$ 452,069
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	435,422	383,788	819,210
3. Uncollateralized, including any securities held for the entity but not in entity's name	<u>0</u>	<u>74,564</u>	<u>74,564</u>
Total Bank Balances	<u>\$ 687,491</u>	<u>\$ 658,352</u>	<u>\$ 1,345,843</u>

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
American Bank & Trust Co	\$ 226,632
Bank of Coushatta	705,743
Sabine State Bank	<u>413,468</u>
Total	<u>\$ 1,345,843</u>

**B.            Investments**

At December 31, 2003, the Town of Coushatta had investments of \$0.

**TOWN OF COUSHATTA, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 4      ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2003:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes			
Ad valorem	\$ 57,340	\$ 0	\$ 57,340
Franchise	21,915	0	21,915
Sales	33,420	0	33,420
Notes receivable	335,091	0	335,091
Rents and commissions	20,371	0	20,371
Charges for services	0	34,873	34,873
Capital grants	0	80,183	80,183
Interest	726	1,932	2,658
Other	0	2,894	2,894
Total	<u>\$ 468,863</u>	<u>\$ 119,882</u>	<u>\$ 588,745</u>

**NOTE 5      CAPITAL ASSETS**

A summary of the Town of Coushatta's capital assets at December 31, 2003 follows:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2003</u>
Primary Government				
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 38,000	\$ 11,458	\$ 0	\$ 49,458
Total Capital Assets, not being depreciated	38,000	11,458	0	49,458
Capital Assets, being depreciated				
Buildings and other improvements	508,858	0	(601)	508,257
Less accumulated depreciation	(149,009)	(36,685)	601	(185,093)
Total Buildings and Building Improvements	359,849	(36,685)	0	323,164
Streets and parking lots	76,716	45,553	0	122,269
Less accumulated depreciation	(17,787)	(7,672)	0	(25,459)
Total Streets and Parking Lots	58,929	37,881	0	96,810
Automobiles	114,996	25,000	0	139,996
Less accumulated depreciation	(68,998)	(22,999)	0	(91,997)
Total Automobiles	45,998	2,001	0	47,999
Equipment, furniture and fixtures	166,957	86,805	(77,017)	176,745
Less accumulated depreciation	(138,297)	(9,862)	77,017	(71,142)
Total Equipment, Furniture and Fixtures	28,660	76,943	0	105,603
Total Capital Assets, being depreciated	493,436	80,140	0	573,576
Governmental Activities				
Total Capital Assets, net	<u>\$ 531,436</u>	<u>\$ 91,598</u>	<u>\$ 0</u>	<u>\$ 623,034</u>

**TOWN OF COUSHATTA, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Balance December 31, 2002	Additions	Retirements	Balance December 31, 2003
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 10,782	\$ 0	\$ 0	\$ 10,782
Construction in progress	<u>0</u>	<u>326,939</u>	<u>0</u>	<u>326,939</u>
Total Capital Assets, not being depreciated	10,782	326,939	0	337,721
<b>Capital Assets, being depreciated</b>				
Building and building improvements	74,497	0	(1,108)	73,389
Less accumulated depreciation	<u>(74,102)</u>	<u>(242)</u>	<u>1,108</u>	<u>(73,236)</u>
Total Building and Building Improvements	395	(242)	0	153
Distribution system	1,690,877	26,175	0	1,717,052
Less accumulated depreciation	<u>(880,124)</u>	<u>(81,023)</u>	<u>0</u>	<u>(961,147)</u>
Total Distribution System	810,753	(54,848)	0	755,905
Automobile	65,377	12,788	0	78,165
Less accumulated depreciation	<u>(36,628)</u>	<u>(15,633)</u>	<u>0</u>	<u>(52,261)</u>
Total Automobiles	28,749	(2,845)	0	25,904
Equipment, furniture and fixtures	298,555	0	(253,400)	45,155
Less accumulated depreciation	<u>(279,157)</u>	<u>(4,875)</u>	<u>253,400</u>	<u>(30,632)</u>
Total Equipment, Furniture and Fixtures	19,398	(4,875)	0	14,523
Total Capital Assets, being depreciated	<u>\$ 859,295</u>	<u>\$ (62,810)</u>	<u>\$ 0</u>	<u>\$ 796,485</u>
Business-Type Activities Total Capital Assets, net	<u>\$ 870,077</u>	<u>\$ 264,129</u>	<u>\$ 0</u>	<u>\$ 1,134,206</u>
Primary Government Total Capital Assets, net	<u>\$ 1,401,513</u>	<u>\$ 355,727</u>	<u>\$ 0</u>	<u>\$ 1,757,240</u>
<b>Component Units</b>				
Capital Assets, not being depreciated				
Land	\$ 130,000	\$ 0	\$ 0	\$ 130,000
Total Capital Assets, not being depreciated	130,000	0	0	130,000
Building and building improvements	280,525	0	0	280,525
Less accumulated depreciation	<u>\$ (84,225)</u>	<u>\$ (14,026)</u>	<u>\$ 0</u>	<u>\$ (98,251)</u>
Total Building and Building Improvements	196,300	(14,026)	0	182,274
Total Capital Assets, being depreciated	<u>\$ 196,300</u>	<u>\$ (14,026)</u>	<u>\$ 0</u>	<u>\$ 182,274</u>
Component Units Total Capital Assets, net	<u>\$ 326,300</u>	<u>\$ (14,026)</u>	<u>\$ 0</u>	<u>\$ 312,274</u>



**TOWN OF COUSHATTA, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 6      ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at December 31, 2003:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 17,563	\$ 91,645	\$ 109,208
Salaries and related benefits	14,437	9,428	23,865
Other	0	0	0
Total	<u>\$ 32,000</u>	<u>\$ 101,073</u>	<u>\$ 133,073</u>

**NOTE 7      COMPENSATED ABSENCES**

At December 31, 2003, employees of the Town of Coushatta had accumulated \$55,000 in annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended December 31, 2003.

	Governmental Activities	Business-Type Activities	Total
Compensated absences payable, beginning of year	\$ 22,853	\$ 28,792	\$ 51,645
Additions	1,317	2,038	3,355
Deletions	0	0	0
Compensated absences payable, end of year	<u>\$ 24,170</u>	<u>\$ 30,830</u>	<u>\$ 55,000</u>

**NOTE 8      LONG TERM-DEBT**

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

	Balance Dec. 31, 2002	Additions	Deletions	Balance Dec. 31, 2003	Current Amounts
Economic Development Loan	\$ 142,505	\$ 0	\$ 21,444	\$ 121,061	\$ 22,318
Bank of Coushatta Loan	11,198	0	11,198	0	0
Total	<u>\$ 153,703</u>	<u>\$ 0</u>	<u>\$ 32,642</u>	<u>\$ 121,061</u>	<u>\$ 22,318</u>

The terms of the individual debt issues of the Town are as follows:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
Economic Development Loan	4.00%	2008	\$ 217,000	\$ 121,061
Total			<u>\$ 217,000</u>	<u>\$ 121,061</u>

The annual requirements to amortize all debt outstanding as of December 31, 2003, including interest payments are as follows:

**TOWN OF COUSHATTA, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 8 LONG TERM-DEBT (CONTINUED)**

<u>Year Ending</u> <u>December 31</u>	<u>Economic</u> <u>Development Loan</u>
2004	\$ 26,754
2005	26,754
2006	26,754
2007	26,754
2008	26,754
Total	<u>\$ 133,770</u>

**NOTE 9 INTERFUND TRANSFERS**

Transfers for the year ended December 31, 2003, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 127,724	\$ 0
Sales tax	0	317,750
Street	102,353	0
Other governmental funds	5,601	0
Utility fund	82,072	0
Total	<u>\$ 317,750</u>	<u>\$ 317,750</u>

**NOTE 10 LEASES**

On May 5, 2000, the Town of Coushatta entered into a lease agreement with an original recorded amount of \$89,996 for the purchase of four police cars. The agreement provides for five (5) annual payments of \$20,820. At the maturity of the lease term, the Town may purchase the vehicles for one (1) dollar. The original recorded amount of the vehicles is included in capital assets.

The following is a schedule of future minimum lease payments and the present value of the net future minimum lease payments as of December 31, 2003:

<u>Year Ending</u> <u>December 31</u>	
2004	<u>\$ 20,820</u>
Total minimum lease payments	20,820
Less amount representing interest	<u>(1,516)</u>
Present value of minimum lease payments	<u>\$ 19,304</u>

The Town of Coushatta was not obligated under any operating leases at December 31, 2003.

**NOTE 11 RETIREMENT COMMITMENTS**

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

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

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 11      RETIREMENT COMMITMENTS (CONTINUED)**

**A.      Louisiana Municipal Employees' Retirement System**

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

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

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

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

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

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

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

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

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 11      RETIREMENT COMMITMENTS (CONTINUED)**

**A.      Louisiana Municipal Employees' Retirement System (Continued)**

Plan members are required by state statute to contribute 9.25% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The employer rate was 8.0% from January 1, 2003 through June 30, 2003 and 11.0% from July 1, 2003 through December 31, 2003, respectively, of annual covered payroll. The employees' contributions are deducted from the employees' salaries and are remitted by the Town on a quarterly basis. The Town of Coushatta's contributions to the System for the years ended December 31, 2003, 2002 and 2001, were \$25,809, \$15,878 and \$18,454, respectively, equal to the required contributions for each year.

**B.      Municipal Police Employees' Retirement System**

The Municipal Police Employees Retirement System was established by Act 189 of 1973 to provide retirement benefits to employees of any municipality in the State which employs a full-time police officer, empowered to make arrests, or which has an elected Chief of Police whose salary is at least \$100 per month.

Eligible employees include any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month. City or Ward Marshals, elected Councilmen and Mayors are excluded from membership. Persons who were members on September 7, 1977, must remain members of the System and persons hired on or after that date must become members of the System as a condition of employment if they are under age 50 and are not covered by the Social Security System.

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

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

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

Plan members are required by state statute to contribute 7.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The employer rate was 9.0% from January 1, 2003 through June 30, 2003 and 15.25% from July 1, 2003 through December 31, 2003, respectively, of annual covered payroll. The employees' contributions are deducted from the employees' salaries and are remitted by the Town on a monthly basis. The Town of Coushatta's contributions to the System for the years ended December 31, 2003, 2002 and 2001, were \$20,607, \$15,090 and \$14,291, respectively, equal to the required contributions for each year.

TOWN OF COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 12      RISK MANAGEMENT**

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

**NOTE 13      LITIGATION**

There was no outstanding litigation against the Town of Coushatta at December 31, 2003.

**NOTE 14      CLAIMS AND JUDGMENTS**

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

**NOTE 15      PRIOR YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets of governmental and business-type activities for December 31, 2003:

Governmental Activities

Fund Balance, beginning of year as previously reported	\$ 1,250,590
Adjustments:	
Investments in Capital Assets, beginning of year	905,527
Accumulated Depreciation, beginning of year	(374,091)
Transfer of assets to Component Unit	(55,000)
Capital lease obligations, beginning of year	(37,200)
Long-term debt, beginning of year	(153,703)
Compensated absences, beginning of year	(22,853)
Net Assets, beginning of year as restated	<u>\$ 1,513,270</u>

Business-Type Activities

Fund Equity, beginning of year as previously reported	\$ 1,438,548
Adjustment:	
Change in useful lives of capital assets	(113,276)
Net Assets, beginning of year as restated	<u>\$ 1,325,272</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Original Budget	Amended Budget	Actual	Variance Fav./Unfav.)
<b>Revenues</b>				
<b>Taxes</b>				
Ad valorem	\$ 50,000	\$ 50,000	\$ 55,547	\$ 5,547
Franchise	90,600	87,000	98,877	11,877
Sales	0	0	0	0
Other	2,000	0	1,720	1,720
State revenue sharing	6,000	0	3,231	3,231
Intergovernmental	2,400	27,500	27,695	195
License and permits	105,800	142,920	146,258	3,338
Fines and forfeitures	9,000	6,500	7,407	907
Rents and commissions	247,800	300,000	240,047	(59,953)
Interest	22,250	25,000	10,952	(14,048)
Miscellaneous	12,100	3,850	722	(3,128)
<b>Total Revenues</b>	<u>547,950</u>	<u>642,770</u>	<u>592,456</u>	<u>(50,314)</u>
<b>Expenditures</b>				
General government	390,046	267,395	355,596	(88,201)
Public safety	217,010	251,473	255,615	(4,142)
Highways and streets	0	0	0	0
Culture and recreation	0	0	0	0
Debt service	11,870	60,000	58,772	1,228
Capital outlay	13,000	40,000	41,463	(1,463)
<b>Total Expenditures</b>	<u>631,926</u>	<u>618,868</u>	<u>711,446</u>	<u>(92,578)</u>
<b>Excess/(Deficiency) Of Revenues Over Expenditures</b>	(83,976)	23,902	(118,990)	(142,892)
<b>Other Financing Sources/(Uses)</b>				
Transfers	144,707	46,756	127,724	80,968
<b>Total Other Financing Sources/(Uses)</b>	<u>144,707</u>	<u>46,756</u>	<u>127,724</u>	<u>80,968</u>
<b>Net Change in Fund Balances</b>	60,731	70,658	8,734	(61,924)
<b>Fund Balances, Beginning of year</b>	<u>503,300</u>	<u>503,300</u>	<u>503,300</u>	<u>0</u>
<b>Fund Balances, End of year</b>	<u>\$ 564,031</u>	<u>\$ 573,958</u>	<u>\$ 512,034</u>	<u>\$ (61,924)</u>

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
- BUDGET (GAAP BASIS) AND ACTUAL - SALES TAX  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.)</u>
<b>Revenues</b>				
<b>Taxes</b>				
Ad valorem	\$ 0	\$ 0	\$ 0	\$ 0
Franchise	0	0	0	0
Sales	329,000	329,000	335,906	6,906
Other	0	0	0	0
State revenue sharing	0	0	0	0
Intergovernmental	0	0	0	0
License and permits	0	0	0	0
Fines and forfeitures	0	0	0	0
Rents and commissions	0	0	0	0
Interest	1,000	1,000	1,815	815
Miscellaneous	0	0	0	0
Total Revenues	<u>330,000</u>	<u>330,000</u>	<u>337,721</u>	<u>7,721</u>
<b>Expenditures</b>				
General government	0	0	0	0
Public safety	0	0	0	0
Highways and streets	0	0	0	0
Culture and recreation	0	0	0	0
Debt service	0	0	0	0
Capital outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess/(Deficiency) Of Revenues Over Expenditures	330,000	330,000	337,721	7,721
<b>Other Financing Sources/(Uses)</b>				
Transfers	<u>(330,000)</u>	<u>(330,000)</u>	<u>(317,750)</u>	<u>12,250</u>
Total Other Financing Sources/(Uses)	<u>(330,000)</u>	<u>(330,000)</u>	<u>(317,750)</u>	<u>12,250</u>
Net Change in Fund Balances	0	0	19,971	19,971
Fund Balances, Beginning of year	<u>118,884</u>	<u>118,884</u>	<u>118,884</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 118,884</u>	<u>\$ 118,884</u>	<u>\$ 138,855</u>	<u>\$ 19,971</u>



**TOWN OF COUSHATTA, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**- BUDGET (GAAP BASIS) AND ACTUAL - ECONOMIC DEVELOPMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Original Budget	Amended Budget	Actual	Variance Fav./Unfav.)
<b>Revenues</b>				
<b>Taxes</b>				
Ad valorem	\$ 0	\$ 0	\$ 0	\$ 0
Franchise	0	0	0	0
Sales	0	0	0	0
Other	0	0	0	0
State revenue sharing	0	0	0	0
Intergovernmental	0	0	0	0
License and permits	0	0	0	0
Fines and forfeitures	0	0	0	0
Rents and commissions	0	0	0	0
Interest	14,000	17,561	18,532	971
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<u>14,000</u>	<u>17,561</u>	<u>18,532</u>	<u>971</u>
<b>Expenditures</b>				
General government	0	0	0	0
Public safety	0	0	0	0
Highways and streets	0	0	0	0
Culture and recreation	0	0	0	0
Debt service	26,754	0	0	0
Capital outlay	0	0	0	0
<b>Total Expenditures</b>	<u>26,754</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess/(Deficiency) Of Revenues Over Expenditures</b>	(12,754)	17,561	18,532	971
<b>Other Financing Sources/(Uses)</b>				
Transfers	0	0	0	0
<b>Total Other Financing Sources/(Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(12,754)	17,561	18,532	971
<b>Fund Balances, Beginning of year</b>	<u>450,041</u>	<u>450,041</u>	<u>450,041</u>	<u>0</u>
<b>Fund Balances, End of year</b>	<u>\$ 437,287</u>	<u>\$ 467,602</u>	<u>\$ 468,573</u>	<u>\$ 971</u>

TOWN OF COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
- BUDGET (GAAP BASIS) AND ACTUAL - STREET TAX  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.)</u>
<b>Revenues</b>				
<b>Taxes</b>				
Ad valorem	\$ 7,000	\$ 7,000	\$ 7,969	\$ 969
Franchise	0	0	0	0
Sales	0	0	0	0
Other	0	0	0	0
State revenue sharing	0	0	0	0
Intergovernmental	25,000	0	25,000	25,000
License and permits	0	0	0	0
Fines and forfeitures	0	0	0	0
Rents and commissions	0	0	0	0
Interest	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	<u>32,000</u>	<u>7,000</u>	<u>32,969</u>	<u>25,969</u>
<b>Expenditures</b>				
General government	0	0	0	0
Public safety	0	0	0	0
Highways and streets	1,800	7,575	8,318	(743)
Culture and recreation	0	0	0	0
Debt service	0	0	0	0
Capital outlay	25,000	0	127,353	(127,353)
Total Expenditures	<u>26,800</u>	<u>7,575</u>	<u>135,671</u>	<u>(128,096)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	5,200	(575)	(102,702)	(102,127)
<b>Other Financing Sources/(Uses)</b>				
Transfers	0	0	102,353	102,353
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>102,353</u>	<u>102,353</u>
Net Change in Fund Balances	5,200	(575)	(349)	226
Fund Balances, Beginning of year	<u>8,553</u>	<u>8,553</u>	<u>8,553</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 13,753</u>	<u>\$ 7,978</u>	<u>\$ 8,204</u>	<u>\$ 226</u>

**OTHER SUPPLEMENTARY INFORMATION**

SCHEDULE 5

TOWN OF COUSHATTA, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO  
MEMBERS OF THE TOWN COUNCIL  
YEAR ENDED DECEMBER 31, 2003

<u>Members</u>	<u>Number of Meeting Attended</u>	<u>Compensation</u>
Rose Byrd	21	\$ 6,000
Ben R. Jowers	19	6,000
H. D. Lafield	19	6,000
James R. Lindsey	20	6,000
James Nettles	21	<u>6,000</u>
Total		<u>\$ 30,000</u>

Compensation Paid Board Members

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

**TOWN OF COUSHATTA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

- |    |   |             |
|----|---|-------------|
| 1. | Type of auditors' report issued.  | Unqualified |
| 2. | Internal control over financial reporting:                                    |             |
|    | a) Material weaknesses identified?  | None        |
|    | b) Reportable conditions identified not considered to be material weaknesses? | None        |
|    | c) Noncompliance material to the financial statements noted?                  | None        |

**FEDERAL AWARDS**

- |    |   |             |
|----|---|-------------|
| 1. | Internal control over major program:  |             |
|    | a) Material weaknesses identified?  | None        |
|    | b) Reportable conditions identified not considered to be material weaknesses?   | None        |
| 2. | Type of auditors report issued on compliance for major programs.  | Unqualified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510 (a)? | None        |
| 4. | Identification of major programs:   |             |

CFDA Number  
14.228

Name of Federal Program  
Community Development Block  
Grants/State's Program

- |    |  |           |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B programs.     | \$300,000 |
| 6. | Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530? | Yes       |

**SECTION #2**

**FINANCIAL STATEMENT FINDINGS**

- |         |  |
|---------|--|
| 2003-01 | Actual revenues of the general fund were \$50,314 (7.83%) less than budgeted amounts in 2003. Likewise, actual expenditures for the general and street tax funds were \$92,578 (14.96%) and \$128,096 (1,691.04%), respectively, more than budgeted amounts in 2003. |
| 2003-02 | The bank deposit balances of the Town of Coushatta exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.                                   |

**SECTION #3**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

SCHEDULE 7

TOWN OF COUSHATTA, LOUISIANA  
SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED  
DECEMBER 31, 2003

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA</u> <u>NUMBER</u>	<u>Expenditures</u>
United States Department of Agriculture Passed through Louisiana Department of Agriculture and Forestry Community Facilities Loans and Grants Total United States Department of Agriculture	10.766	\$ <u>25,000</u> 25,000
United States Department of Housing and Urban Development Passed through Louisiana Office of Community Development - Division of Administration Community Development Block Grants/State's Program * Total United States Department of Housing and Urban Development	14.228	<u>336,217</u> 336,217
United States Department of Justice Passed through Louisiana Commission on Law Enforcement Law Enforcement Equipment Total United States Department of Justice	16.592	<u>2,695</u> <u>2,695</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 363,912</u>

Notes to the Schedule of Federal Awards

- A. Federal awards are recorded when the reimbursable expenditures have been incurred.
- B. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Note: The dollar threshold to distinguish between type A and type B programs was \$300,000.

\* Denotes a major federal award program.

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

Mayor and Town Council  
Town of Coushatta  
Coushatta, Louisiana 71034

We have audited the basic financial statements of the Town of Coushatta, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 21, 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 Coushatta's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards. A description of the findings can be found in findings 2003-01 and 2003-02 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 9.

### Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the Town of Coushatta, federal awarding agencies, pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hines, Jackson & Hines*  
Natchitoches, Louisiana  
May 21, 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

Mayor and Town Council  
Town of Coushatta  
Coushatta, Louisiana 71034

### Compliance

We have audited the compliance of the Town of Coushatta, Louisiana 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 each of its major federal programs for the year ended December 31, 2003. The Town of Coushatta's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Coushatta's management. Our responsibility is to express an opinion on the Town of Coushatta'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 of Coushatta'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 of Coushatta's compliance with those requirements.

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

### Internal Control Over Compliance

The management of the Town of Coushatta 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 of Coushatta'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 internal control over compliance in accordance 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.



Page 2

This report is intended solely for the information and use of the Town of Coushatta, federal awarding agencies, pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Hines, Jackson & Hines***

Natchitoches, Louisiana

May 21, 2004

TOWN OF COUSHATTA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
-----------------	---	-------------------------------	---	--

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 9

TOWN OF COUSHATTA, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2003-01	Actual revenues of the general fund were \$50,314 (7.83%) less than budgeted amounts in 2003. Likewise, actual expenditures for the general and street tax funds were \$92,578 (14.96%) and \$128,096 (1,691.04%), respectively, more than budgeted amounts in 2003.	The management of the Town of Coushatta will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.	W. B. Robinson, Town Clerk	6/30/2004
2003-02	The bank deposit balances of the Town of Coushatta exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.	The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.	W. B. Robinson, Town Clerk	6/30/2004

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Mayor and Town Council  
Town of Coushatta  
Coushatta, Louisiana 71019

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Town of Coushatta, Louisiana as of December 31, 2003, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Town and are intended to be constructive in nature:

1. Existing Conditions:

We noted that actual revenues of the general fund were \$50,314 (7.83%) less than budgeted amounts in 2003. Likewise, actual expenditures for the general and street tax funds were \$92,578 (14.96%) and \$128,096 (1,691.04%), respectively, more than budgeted amounts in 2003.

LSA-R.S. 39:1310 requires the Town of Coushatta to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

Recommended Action:

We suggest the Town of Coushatta's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was developed. Care should be exercised to maintain actual revenues and expenditures within the five percent limit established by statute.

Management's Response:

The Town of Coushatta will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

2. Existing Conditions

At December 31, 2003, the bank deposit balances of the Town of Coushatta exceeded federal deposit insurance corporation (FDIC) coverage. This resulted in bank deposits not being secured against loss because the depositing banks did not pledge sufficient securities at a third party custodian to cover the excess deposits.

LSA-RS 39:1225 requires that the amount of security maintained on bank deposits shall at all times be equal to one hundred percent of the amount of bank deposits except that portion of the deposits insured by the FDIC.

Recommended Action

We suggest management of the Town of Coushatta review on a quarterly basis the amount of securities being pledged at each institution that deposits are maintained to ensure that proper security is being maintained over the funds as required by LSA-RS 39:1225.

Page #2

Management's Response

The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Town's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

***Hines, Jackson & Hines***

Natchitoches, Louisiana

May 21, 2004