

**CALCASIEU PARISH PUBLIC  
TRUST AUTHORITY**

**Financial Statements and Schedules**

**With Independent Auditors' Report**

**May 31, 2004 and 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.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
Lake Charles, Louisiana

We have audited the accompanying statements of net assets of the Calcasieu Parish Public Trust Authority (the Authority), a component unit of the Calcasieu Parish Police Jury, as of May 31, 2004 and 2003, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards of 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 audits 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 our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Public Trust Authority as of May 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States of America.

As discussed in note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments*, in 2003.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express not opinion on it.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included on pages 29 through 32 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2004 on our consideration of Calcasieu Parish Public Trust Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations, contracts, and grants.

November 12, 2004

*Langley, Wilkerson & Co., P.C.*

Calcasieu Parish Public Trust Authority

Management's Discussion and Analysis

May 31, 2004 and 2003

This section of the Calcasieu Parish Public Trust Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year that ended May 31, 2004. Please read it in conjunction with the Authority's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

The Authority implemented GASB 34 *Basic Financial Statements – and Management's Discussion and Analysis for the State and Local Governments*, in fiscal year 2003. The Authority is a component unit of the Parish of Calcasieu, Louisiana.

The Authority's equity represents 14.6% of its assets. With total assets approximating \$30,300,000, the Authority had negative changes in net assets of \$159,000 for the fiscal year ended May 31, 2004, a loss of 0.46% on average assets.

The Authority's financial highlights include:

- The Authority issued the Single Family Mortgage Revenue Refunding Bonds, Series 2003 in the principal amount of \$5,855,000, the proceeds of which were used to refund the 2001A Bonds and 2002A Bonds.

The Authority's net assets decreased from \$4,583,000 to \$4,411,000 as of May 31, 2004.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation on the Authority are included in the Statements of Net Assets.

Calcasieu Parish Public Trust Authority

Management's Discussion and Analysis

May 31, 2004 and 2003

**OVERVIEW OF THE FINANCIAL STATEMENTS – (Continued)**

Statements of Net Assets report the Authority's net assets. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

**Net Assets**

The Authority's total net assets at May 31, 2004 were \$4,411,000, a slight decrease of 3.8% from net assets as of May 31, 2003 in the amount of \$4,583,000 (See Table A-1). Total assets decreased 22.7% to \$30,297,000, and total liabilities decreased 25.2% to \$25,886,000.

Table A-1  
Calcasieu Parish Public Trust Authority  
(in thousands of dollars)

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>
Cash and cash equivalents	\$ 825	\$ 1,739	\$ ( 914 )
Loans, mortgage-backed securities and investments	28,857	36,787	( 7,930 )
Other assets	<u>615</u>	<u>668</u>	<u>( 53 )</u>
Total assets	\$ <u>30,297</u>	\$ <u>39,194</u>	\$ <u>( 8,897 )</u>
Other liabilities	\$ 233	\$ 324	\$ ( 91 )
Bonds payable	<u>25,653</u>	<u>34,287</u>	<u>( 8,634 )</u>
Total liabilities	25,886	34,611	( 8,725 )
Net Assets, principally restricted for debt	<u>4,411</u>	<u>4,583</u>	<u>( 172 )</u>
Total liabilities and net assets	\$ <u>30,297</u>	\$ <u>39,194</u>	\$ <u>( 8,897 )</u>

Total assets decreased by \$8,897,000 largely due to the utilization of cash and proceeds from investments to liquidate bonds outstanding by \$14,322,000, net of the bond proceeds of \$6,122,000.

Calcasieu Parish Public Trust Authority

Management's Discussion and Analysis

May 31, 2004 and 2003

**Changes in Net Assets**

The change in net assets at May 31, 2004 was a decrease of \$159,000 compared to an decrease of \$289,000 at May 31, 2003. Total operating revenues decreased by 15.5% to \$1,865,000 and total operating expenses decreased 18.9% to \$2,024,000. The changes in net assets are detailed in Table A-2, operating expenses are detailed in Table A-3.

The decrease in net assets is primarily a result of the operating expenses in excess of operating revenues.

Table A-2  
Calcasieu Parish Public Trust Authority's Changes in Net Assets  
(in thousands of dollars)

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Investment income	\$ 1,773	\$ 2,116	\$ ( 343 )
Other	<u>92</u>	<u>90</u>	<u>2</u>
Total operating revenues	1,865	2,206	( 341 )
Operating expenses	<u>2,024</u>	<u>2,494</u>	( <u>470</u> )
Change in net assets from operations	( 159 )	( 288 )	129
Change in net assets from residual transfers	( 13 )	-	( 13 )
Total net assets, beginning of the year	<u>4,583</u>	<u>4,871</u>	( <u>288</u> )
Total net assets, end of the year	\$ <u>4,411</u>	\$ <u>4,583</u>	\$ ( <u>172</u> )

Investment income decreased 16.2% to \$1,773,000.

Calcasieu Parish Public Trust Authority

Management's Discussion and Analysis

May 31, 2004 and 2003

Table A-3  
Calcasieu Parish Public Trust Authority's Operating Expenses  
(in thousands of dollars)

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 1,593	\$ 2,106	\$ ( 513 )
Amortization of bond issuance and other costs	202	124	78
Servicing fees	1	20	( 19 )
Other	<u>228</u>	<u>244</u>	<u>( 16 )</u>
Total operating expenses	\$ <u>2,024</u>	\$ <u>2,494</u>	\$ <u>( 470 )</u>

**DEBT ADMINISTRATION**

**Debt Administration**

Total indebtedness for bonds payable was \$25,653,000 as of May 31, 2004 compared to \$34,287,000 as of May 31, 2003. The decrease in bonds payable is the result of ordinary payments on the bonds and the early liquidation of certain bonds.

All bond debt covenants have been met.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Calcasieu Parish Public Trust Authority at (337) 437-3520.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY

Statements of Net Assets

May 31, 2004 and 2003

Assets	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 824,503	\$ 1,738,534
Investment securities at fair value	2,919,748	10,657,950
Mortgage loans receivable and mortgage-backed securities	25,921,852	26,076,852
Accrued interest receivable	158,188	82,395
Real estate acquired from foreclosures	15,830	52,637
Bond issuance costs	455,393	578,064
Other assets	<u>1,868</u>	<u>7,908</u>
Total assets	<u>\$ 30,297,382</u>	<u>\$ 39,194,340</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 5,244	\$ 8,653
Bonds payable	25,652,930	34,287,279
Accrued interest payable	<u>228,270</u>	<u>315,817</u>
Total liabilities	25,886,444	34,611,749
Net Assets:		
Restricted for debt	2,096,394	2,161,821
Unrestricted	<u>2,314,289</u>	<u>2,420,770</u>
Total net assets	<u>4,410,683</u>	<u>4,582,591</u>
Total liabilities and net assets	<u>\$ 30,297,127</u>	<u>\$ 39,194,340</u>

See accompanying notes to financial statements.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY

Statements of Revenues, Expenses  
and Changes in Net Assets

For the Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Investment income on mortgage loans	\$ 1,484,685	\$ 1,625,119
Investment income on investments	288,005	491,066
Commitment fees	50,327	85,165
Net recoveries from foreclosures	<u>41,751</u>	<u>4,271</u>
Total operating revenues	1,864,768	2,205,621
Operating expenses:		
Interest on debt	1,593,375	2,106,277
Amortization of bond issuance costs and other costs	202,388	124,267
Servicing fees	1,144	20,589
Mortgage loan insurance costs	6,950	9,213
Trustee fees	27,046	36,916
Accounting and auditing fees	21,615	21,595
Other operating expenses	<u>171,433</u>	<u>175,336</u>
Total operating expenses	<u>2,023,951</u>	<u>2,494,193</u>
Change in net assets	<u>\$ (159,183)</u>	<u>\$ (288,572)</u>

See accompanying notes to financial statements.

CALCASIEU PARISH PUBLIC TRUST AUTHORITY

Statements of Fund Equity

For the Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Retained Earnings:</b>		
Balance at beginning of year	\$ 2,184,475	\$ 2,473,040
Change in net assets	(159,183)	(288,572)
Residual transfers	<u>(12,733)</u>	<u>-</u>
Balance at end of year	2,012,559	2,184,468
<b>Paid-in Capital</b>		
Balance at beginning of year	2,398,124	2,398,123
Contributed Capital	-	-
Residual transfers	<u>-</u>	<u>-</u>
Balance at end of year	<u>2,398,124</u>	<u>2,398,123</u>
<b>Total Fund Equity</b>	4,410,683	4,582,591
Fund equity reserved under provisions of bond indentures	<u>(2,096,394)</u>	<u>(2,161,821)</u>
<b>FUND EQUITY, unreserved</b>	<u><u>\$ 2,314,289</u></u>	<u><u>\$ 2,420,770</u></u>

See accompanying notes to financial statements.

**CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

**Statements of Cash Flows**

For the Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets:	\$ (159,183)	\$ (288,572)
Adjustments to reconcile to net cash provided by (used in) operating activities:		
Amortization, net of accretion	(276,508)	(22,328)
Net recovery from foreclosures	(41,751)	-
Depreciation expense	-	289
Net changes in:		
Accrued interest receivable	(75,794)	3,510
Accounts payable	(3,406)	(5,115)
Accrued interest payable	(87,546)	(234,688)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(644,188)</b>	<b>(546,904)</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from issuance of bonds	6,122,337	-
Principal payments on bonds	(14,321,862)	(11,901,135)
Deferred financing costs	(37,723)	(27,884)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(8,237,249)</b>	<b>(11,929,019)</b>
<b>Cash Flows From Investing Activities:</b>		
Collections of mortgage loans receivable	350,660	4,257,287
Proceeds from sales of other real estate	72,124	-
Proceeds from investment securities maturities	27,865,917	18,714,559
Purchases of investment securities	(20,321,295)	(18,539,446)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>7,967,406</b>	<b>4,432,400</b>
<b>Net increase (decrease) in cash</b>	<b>(914,032)</b>	<b>(8,043,523)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,738,535</b>	<b>9,782,058</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 824,503</b>	<b>\$ 1,738,535</b>

*Supplemental Disclosure: Cash paid for bond interest was \$2,115,744 and \$2,340,965 in 2004 and 2003, respectively.*

See accompanying notes to financial statements.

## **Calcasieu Parish Public Trust Authority**

### **NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

#### **1. Organization:**

The Calcasieu Parish Public Trust Authority was created through a trust indenture dated May 14, 1979, pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The Authority is a legal entity separate and apart from the parish government, although the parish government is the ultimate beneficiary of all residuals of the trust estate. The initial legislation and subsequent amendments grant the Authority the right to obtain resources to promote the financing and development of any essential program conducted in the public's interest within the boundaries of Calcasieu Parish, Louisiana. The Authority's primary activities involve the issuance of bonds to obtain resources for the purpose of assisting in the financing of housing needs for persons of low and moderate incomes in Calcasieu Parish.

The bonds are solely the obligations of the Authority and are payable from revenues derived from mortgage loans, mortgage-backed securities and investments acquired pursuant to the indentures to which such bonds relate. The bonds are not obligations of Calcasieu Parish or any other governmental entity.

The Authority is managed by a Board of Trustees empowered to contract with outside parties to conduct the operations of the various programs. The Authority also contracts with national banking institutions to serve as trustee for each of its bond programs or as its custodial bank for the Authority's unrestricted resources.

The financial statements of the individual bond funds are presented on a combined basis. All interfund transactions have been eliminated. The Authority maintains a separate self-balancing set of books (a fund) for each bond program and an operating fund to account for its unrestricted assets. The assets of each individual bond fund are restricted under the related bond indentures. Accordingly, the combined totals on the financial statements are not intended to indicate that the combined assets are available for any purpose due to the contractual restrictions imposed on certain assets and the income derived therefrom. Additionally, the combined totals do not present consolidated financial information. Included in the totals are unrestricted assets that are available to the Authority for its unrestricted use.

#### **2. Summary of Significant Accounting Policies:**

##### **Change in Accounting**

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement 34) in 2003. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily related to presentation and disclosure requirements and had no impact on total net assets presented. The impact of adopting Statement 34 was on the presentation of net assets and the inclusion of management's discussion and analysis.

**Calcasieu Parish Public Trust Authority**  
**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**2. Summary of Significant Accounting Policies: (Continued)**

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

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds.

The Authority used fund accounting to report its financial position and results of operations. The accounts of the Authority are organized on the basis of individual programs. The Programs, which are administered by a trustee bank, provide for a separate set of self-balancing accounts, which account for bonds issued, debt service and bond redemption requirements, investments, and related revenues and operating expenses. These individual Programs are aggregated in the financial statements to comprise the fund of the Authority.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgages/mortgage-backed securities. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

The Authority's financial statements are presented in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board (GASB) as applicable to all state and local governments.

**Cash Equivalents**

Cash and cash equivalents are stated at cost which approximates fair market value. For financial statement purposes, the Authority considers cash, demand deposits, certificates of deposit and debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**2. Summary of Significant Accounting Policies: (Continued)**

**Investment Securities**

Bonds and notes are carried at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity. The Board intends to hold such investments to maturity. Gains and losses on the sale of investments are determined using the specific-identification method.

**Mortgage-Backed Securities**

Mortgage-backed securities are stated at cost, adjusted for amortization of premiums and accretion of fees and discounts using a method that approximates level yields. These securities are issued by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (FNMA). Such securities are backed by mortgage loans originated in Calcasieu Parish, Louisiana. Monthly payments of principal and interest are passed through to the Authority to finance debt service payments and other administrative costs. The Authority has adequate liquidity and capital, and it is generally the Board's intention to hold such assets to maturity. Should any be sold, gains and losses will be recognized based on the specific identification method.

**Mortgage loans receivable**

Mortgage loans receivable are stated at unpaid principal balances, less the deferred revenues received for its commitment to purchase the loans. The deferred revenues are amortized over the life of the loan and recognized as a component of interest income. In the event of an extraordinary mandatory redemption of the bonds due to non-origination of mortgage loans, the entire unamortized balance is recognized as commitment fee income.

The allowance for loan losses is increased by charges to income and recoveries and decreased by charge-offs. Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, current economic conditions, insurance protection provided against possible loan losses and any other factors which require consideration in estimating such losses.

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**2. Summary of Significant Accounting Policies: (Continued)**

**Real Estate Acquired Through Foreclosures**

Real estate properties acquired through loan foreclosure are initially recorded at the unpaid principal balance of the loan. Costs relating to improving the property are capitalized. This real estate must be restored to its original condition, normal wear and tear expected, before the mortgage insurance coverage applies. The excess of the unpaid principal and accrued interest balances over sales proceeds realized is reimbursed under various insurance coverages.

**Deferred Financing Costs**

The cost of issuing mortgage revenue bonds are deferred and amortized over the life of the bonds as a financing expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

**Bond Discounts**

Original issue discounts realized upon issuance of bonds are deferred and presented as a reduction of the face amount of bonds payable on the balance sheet. The deferred amount is amortized over the life of the bonds as a component of interest expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

**Estimates**

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

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**3. Cash and Cash Equivalents:**

The Authority had cash and cash equivalents totaling \$824,503 and \$1,738,534 at May 31, 2004 and 2003, respectively. The FDIC insured cash and cash equivalents in the amount of \$498,677 and \$280,603 at May 31, 2004 and 2003, respectively. The remaining balance of \$324,613 and \$1,462,327 at May 31, 2004 and 2003 was uninsured and uncollateralized (GASB Category 3). Uncollateralized deposits include balances that are collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Authority's name.

**4. Investment Securities:**

The permissible types of investments under the various bond programs are governed by the underlying bond indentures. The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments which are unsecured. Unsecured investments include securities held for the Authority but not in its name.

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**4. Investment Securities: (Continued)**

May 31, 2004

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 993,666	\$ 993,666	\$ 987,166
Investment Agreements	1,364,007	1,364,007	1,364,007
FHLB	191,559	191,559	191,743
FHLMC	<u>370,516</u>	<u>370,516</u>	<u>368,699</u>
Totals	\$ <u>2,919,748</u>	\$ <u>2,919,748</u>	\$ <u>2,911,615</u>

May 31, 2003

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 423,871	\$ 423,871	\$ 432,479
Investment Agreements	9,945,735	9,945,735	9,945,735
FHLB	106,514	106,514	109,749
FHLMC	<u>181,830</u>	<u>181,830</u>	<u>184,691</u>
Totals	\$ <u>10,657,950</u>	\$ <u>10,657,950</u>	\$ <u>10,672,654</u>

The amortized cost and approximate market value of investment securities are:

May 31, 2004

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
U. S. Treasury Notes	\$ 993,666	\$ ( 6,500)	\$ 987,166
Investment Agreements	1,364,007	-	1,364,007
FHLB	191,559	184	191,743
FHLMC	<u>370,516</u>	<u>( 1,817)</u>	<u>368,699</u>
	\$ <u>2,919,748</u>	\$ <u>( 8,133)</u>	\$ <u>2,911,615</u>

**Calcasieu Parish Public Trust Authority**  
**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**4. Investment Securities: (Continued)**

May 31, 2003

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
U. S. Treasury Notes	\$ 423,871	\$ 8,608	\$ 432,479
Investment Agreements	9,945,735	-	9,945,735
FHLB	106,514	3,235	109,749
FHLMC	<u>181,830</u>	<u>2,861</u>	<u>184,691</u>
	<u>\$ 10,657,950</u>	<u>\$ 14,704</u>	<u>\$ 10,672,654</u>

The investment agreements are between the Authority and Berkshire Hathaway, Inc. The agreements contain provisions that stipulate in the event Berkshire Hathaway's senior unsecured long-term debt rating by Moody's Investors Service, Inc., falls below A3 for the bond programs, the Authority shall have the right to withdraw the investment unless Berkshire Hathaway, Inc., enters into and collateralizes an investment agreement in repurchase format which is in a form and content satisfactory to all parties. The collateral shall be comprised of U.S. Treasury or agency obligations and subject to other conditions as specified in the Agreements. These investments mature after 10 years.

**5. Mortgage-Backed Securities:**

Monthly principal and interest payments from the GNMA and FNMA mortgage-backed securities are guaranteed by GNMA and FNMA. Payments flow through to the holders of the Mortgage Revenue Bonds.

**Calcasieu Parish Public Trust Authority**  
**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**5. Mortgage-Backed Securities: (Continued)**

May 31, 2004

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 17,917,104	\$(128,117)	\$ 17,788,987
FNMA Mortgage-backed Securities	<u>4,949,948</u>	<u>( 39,909)</u>	<u>4,910,039</u>
	<u>\$ 22,867,052</u>	<u>\$(168,026)</u>	<u>\$ 22,699,026</u>

May 31, 2003

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 16,860,140	\$ 266,350	\$ 17,126,490
FNMA Mortgage-backed Securities	<u>4,994,763</u>	<u>94,844</u>	<u>5,089,607</u>
	<u>\$ 21,854,903</u>	<u>\$ 361,194</u>	<u>\$ 22,216,097</u>

These investments mature after 10 years.

**6. Mortgage Loans Receivable:**

Mortgage loans are pledged as security on the Mortgage Revenue Refunding Bonds as follows:

	<u>May 31, 2004</u>	<u>May 31, 2003</u>
1992 Series B	\$ 656,516	\$ 1,002,616
2002 Series B	2,299,797	3,116,286
Operating Fund	<u>98,487</u>	<u>103,047</u>
	<u>\$ 3,054,800</u>	<u>\$ 4,221,949</u>

**Calcasieu Parish Public Trust Authority**  
**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**7. Mortgage Revenue Bonds Payable**

Mortgage revenue bonds outstanding are as follows:

	<u>May 31, 2004</u>	<u>May 31, 2003</u>
<b>1989 Series A:</b>		
Current interest bonds, dated December 1, 1989, with a scheduled maturity on June 1, 2021, bearing interest at 7.90% payable monthly	\$ 139,219	\$ 356,081
 <b>1992 Series B:</b>		
Current interest bonds, dated December 1, 1992, due November 1, 2012 with scheduled mandatory redemptions, bearing interest at 6.875% payable semiannually on May 1 and November 1	495,000	885,000
 <b>1997 Series A:</b>		
Fixed rate bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 4.375% payable semiannually on October 1, and April 1	135,000	340,000
Convertible option bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 6.4% payable semiannually on October 1 and April 1	135,000	340,000

Calcasieu Parish Public Trust Authority

NOTES TO FINANCIAL STATEMENTS

May 31, 2004 and 2003

**7. Mortgage Revenue Bonds Payable: (Continued)**

	<u>May 31, 2004</u>	<u>May 31, 2003</u>
<b>1998 Series A:</b>		
Fixed rate bonds, dated April 1, 1998, due April 1, 2012 bearing interest of 5.55% payable semiannually on October 1 and April 1	2,456,679	2,880,429
Fixed rate bonds, dated April 1, 1998, due April 1, 2032 bearing interest of 6.10% payable semiannually on October 1 and April 1	4,355,221	6,271,109
<b>2000 Series A:</b>		
Fixed rate bonds dated April 1, 2000, due April 1, 2031 bearing interest at 7.0% payable semiannually on April 1 and October 1.	585,198	918,982
Fixed rate bonds dated April 1, 2000, due October 1, 2031 bearing interest at 7.0% payable semiannually on April 1 and October 1.	1,301,316	2,056,223
<b>2001 Series A:</b>		
Fixed note bonds dated April 1, 2001, due October 1, 2016, bearing interest at 5.2% payable semiannually on April 1 and October 1.	480,000	1,190,000
Fixed rate bonds dated April 1, 2001, due April 1, 2032, bearing interest at 6.05% payable semiannually on April 1 and October 1.	4,068,286	4,701,633
Fixed rate bonds dated April 1, 2001, due October 1, 2032, bearing interest at 5.85% payable semiannually on April 1 and October 1.	3,252,353	4,255,848

**Calcasieu Parish Public Trust Authority**  
**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**7. Mortgage Revenue Bonds Payable: (Continued)**

	<u>May 31, 2004</u>	<u>May 31, 2003</u>
<b>2002 Series A:</b>		
Fixed note bonds dated April 1, 2002, due October 1, 2024, bearing interest at 4.0% until April 1, 2003 and 5.75% thereafter payable semiannually on April 1 and October 1.	657,311	3,319,563
Fixed rate bonds dated April 1, 2002, due April 1, 2033, bearing interest at 4.5% until April 1, 2003 and 6.05% payable semiannually on April 1 and October 1.	1,003,934	3,672,410
<b>2002 Series B:</b>		
Fixed rate bonds dated April 1, 2002, due October 1, 2012, bearing interest at 5.5% payable semiannually on April 1 and October 1.	1,930,000	3,100,000
<b>2003 Series B:</b>		
Fixed note bonds dated August 15, 2003, due April 1, 2033, bearing interest at 5.0% payable semiannually on April 1 and October 1.	318,926	-
Fixed note bonds dated August 15, 2003, due April 1, 2028, bearing interest at 5.0% payable semiannually on April 1 and October 1.	2,363,191	-
Fixed rate bonds dated August 15, 2003, due April 1, 2034, bearing interest at 5.0% payable semiannually on April 1 and October 1.	<u>1,976,296</u>	<u>-</u>
	<u>\$ 25,652,930</u>	<u>\$ 34,287,279</u>

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**7. Mortgage Revenue Bonds Payable: (Continued)**

May 31, 2004

May 31, 2003

Debt maturities and sinking fund requirements during each of the five years ended May 31, 2005 through May 31, 2009 and thereafter are as follows:

<u>Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,252,170	\$ 1,484,661	\$ 2,736,831
2006	1,252,170	1,409,840	2,662,010
2007	1,004,670	1,339,797	2,344,467
2008	1,014,670	1,282,392	2,297,062
2009	1,014,670	1,224,612	2,239,282
Thereafter	<u>20,114,580</u>	<u>14,899,605</u>	<u>35,014,185</u>
	<u>\$ 25,652,930</u>	<u>\$ 21,640,907</u>	<u>\$ 47,293,837</u>

The 1992 Series B bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The current interest bonds maturing on November 1, 2012, and the compound interest bonds are subject to redemption on or after November 1, 2002, at the option of the Authority, at any time from available monies at a redemption price equal to 103% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent November 1 to a redemption price of 100% of the principal amount so called.

The Series 1997 A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage loans are deposited in certain redemption accounts equal \$5,000 or more. The Fixed Rate Bonds bear a stated annual interest of 6.40%. The Convertible Option Bonds bear an annual interest for a 60-day tax-exempt commercial paper published that day or 60% of the bond equivalent rate for a 91-day United States Treasury Bill. The Bonds are subject to redemption on or after April 1, 2007, at the option of the Authority, at any time from available monies at a redemption price equal to 102% of the principal amount called for redemption. The early call premium is reduced by 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**7. Mortgage Revenue Bonds Payable: (Continued)**

The 1998 Series A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 4.75% to 6.10%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2008, at any time from available monies at redemption prices equal to 105% of the principal amount called for redemption on the 2032 bonds and 102% of the principal amount called for redemption on the 2012 and 2024 bonds.

*The 2000 Series A Bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 7.0% to 7.8%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2010, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.*

The 2001 Series A issue consists of \$1,555,000 in Program Bonds and \$8,810,000 in Premium Term Bonds. The Program Bonds are subject to redemption at par and the Premium Term Bonds are subject to redemption at 105% of the principal amount at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 5.2% to 6.05%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2011, in whole or part at any time from available monies. Bonds maturing on October 1, 2016, are subject to optional redemption on or after April 1, 2011, at a redemption price of 103% of the principal amount called. Bonds maturing April 1, 2032, and October 1, 2032, are subject to optional redemption on or after April 1, 2011, at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 2002 Series A Bonds are subject to redemption at par at certain dates prior to their stated maturities , in part randomly by payment of sinking fund installments beginning on April 1, 2004. The bonds bear stated annual interest ranging from 5.75% to 6.05%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2012, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called. The proceeds from these bonds were transferred to the 1991 Bond trustee to pay a portion of the principal redemption price of the 1991 bonds on July 1, 2002 in the amount of \$6,998,250.

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**7. Mortgage Revenue Bonds Payable: (Continued)**

The 2002 Series B Bonds are subject to mandatory redemption in part on April 1 and October 1 of each year, commencing October 1, 2002, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date through October 1, 2012. The bonds bear a stated annual interest of 5.5%. These bond proceeds were used to purchase all of the outstanding mortgage loan receivables held under the 1991 Indenture.

The 2003 Series A Bonds are subject to mandatory redemption in part on April 1 and October 1 of each year, commencing October 1, 2004 at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date through April 1, 2033. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2013, at any time from available monies at a redemption price of 103% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called. The bonds bear a stated annual interest of 5.0%. These bond proceeds were used to refund certain Single Family Mortgage Revenue Refunding Bonds, 2001 Series A.

The 2003 Series B Bonds are subject to mandatory redemption in part on April 1 and October 1 of each year, commencing October 1, 2004 at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date through April 1, 2028 for the PAC bonds in the amount of \$2,515,000 and through April 1, 2034 for the Premium bonds in the amount of \$2,095,000. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2013, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called. The bonds bear a stated annual interest of 5.0%. These bond proceeds were used to refund certain Single Family Mortgage Revenue Refunding Bonds, 2002 Series A.

**Calcasieu Parish Public Trust Authority**

**NOTES TO FINANCIAL STATEMENTS**

May 31, 2004 and 2003

**8. Revenue Bonds Payable:**

The revenue bond issues include a covenant which provides that the bonds are payable solely from payments made by the lessor or owner of the project financed by the bond proceeds. The Authority is under no obligation to pay the bonds from any other source. In accordance with industry standards, the debt and related capital leases are not recorded in the financial statements. The projects and related balances of the debt are as follows:

	<u>May 31, 2004</u>	<u>May 31, 2003</u>
<b>Industrial Development:</b>		
1994 Series (PPG Industries, Inc. Project)	\$ 7,300,000	\$ 7,300,000
1997 Series A (WPT Corporation Project)	10,889,000	10,889,000
2001 Series (Groth Equipment Corporation Project)	860,000	910,000
2003 Series (McNeese State University Stadium Parking)	820,000	-
<b>Other:</b>		
2001 Series (McNeese State University Student Housing-Cowboy Facilities Inc. Project)	<u>20,795,000</u>	<u>21,120,000</u>
	<u>\$ 40,664,000</u>	<u>\$ 40,219,000</u>

**9. Related Party Transactions:**

The members of the Authority's Board of Trustees receive a per diem payment for each meeting attended and are reimbursed for actual expenses incurred in their capacity as trustees of the Authority. The following payments were made to the members of the Board of Trustees for per diem:

	<u>May 31, 2004</u>	<u>May 31, 2003</u>
Francis Bellows	\$ 450	\$ 450
Harry Broussard	-	200
Herman Busch	550	550
Tim Castle	600	600
Doug Hinchee	550	200
Robert Jones	550	550
John Nash	600	550
Alvin Stevens	350	600
Angie Wood	500	550
Ken Broussard	<u>500</u>	<u>450</u>
	<u>\$ 4,650</u>	<u>\$ 4,700</u>

**SUPPLEMENTAL INFORMATION**

CALCASIEU PARISH PUBLIC TRUST AUTHORITY

Schedule of Assets, Liabilities, and Net Assets by Fund

See Accompanying Independent Auditors' Report

May 31, 2004

Assets	1989 Bond	1991 Bond	1992 Bond	1997 Bond	1998 Bond	2000 Bond	2001 Bond	2002A Bond	2002B Bond	2003 Bond	Operating Fund	Combined Totals
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Totals
Cash and cash equivalents	\$ 1,315	\$ -	\$ 72,648	\$ 6,157	\$ 2,040	\$ 93,152	\$ 53,058	\$ 43,989	\$ 83,722	\$ 45,766	\$ 422,657	\$ 824,503
Investment securities at fair value	-	-	251,996	77,631	210,111	126,597	298,917	188,947	109,639	100,170	1,555,741	2,919,748
Mortgage loans receivable and mortgage-backed securities	135,236	-	656,516	342,965	7,020,518	1,655,420	7,458,030	1,427,398	2,299,798	4,604,933	321,040	25,921,852
Accrued interest receivable	926	-	2,037	1,991	39,135	11,011	39,542	10,258	16,646	19,820	16,801	138,188
Real estate acquired from foreclosures	-	-	-	-	-	-	-	-	15,830	-	-	15,830
Bond issuance costs	2,207	-	9,189	4,251	114,367	6,063	150,889	80,471	52,686	35,270	-	455,393
Other assets	-	-	-	-	-	-	1,868	-	-	-	-	1,868
<b>Total assets</b>	<b>\$ 139,683</b>	<b>\$ -</b>	<b>\$ 992,404</b>	<b>\$ 432,995</b>	<b>\$ 7,386,172</b>	<b>\$ 1,892,242</b>	<b>\$ 8,002,305</b>	<b>\$ 1,751,063</b>	<b>\$ 2,578,321</b>	<b>\$ 4,805,959</b>	<b>\$ 2,316,239</b>	<b>\$ 30,297,382</b>
<b>Liabilities and Net Assets</b>												
<b>Liabilities:</b>												
Accounts payable	\$ 12	\$ -	\$ 259	\$ 1	\$ 1,004	\$ 7	\$ 11	\$ 1,000	\$ -	\$ 1,000	\$ 1,950	\$ 5,244
Bonds payable	139,219	-	495,000	270,000	6,811,901	1,886,515	7,800,639	1,661,244	1,930,000	4,658,413	-	25,652,930
Accrued interest payable	917	-	2,797	2,841	63,997	20,137	71,716	11,292	17,449	37,125	-	228,270
<b>Total liabilities</b>	<b>140,147</b>	<b>-</b>	<b>498,056</b>	<b>272,841</b>	<b>6,876,902</b>	<b>1,906,659</b>	<b>7,872,365</b>	<b>1,673,536</b>	<b>1,947,449</b>	<b>4,696,538</b>	<b>1,950</b>	<b>25,886,444</b>
<b>Net Assets:</b>												
Restricted for debt	(464)	-	494,348	160,153	509,270	(14,417)	129,940	77,527	630,871	109,167	-	2,096,394
Unrestricted	-	-	-	-	-	-	-	-	-	-	2,314,289	2,314,289
<b>Total net assets</b>	<b>(464)</b>	<b>-</b>	<b>494,348</b>	<b>160,153</b>	<b>509,270</b>	<b>(14,417)</b>	<b>129,940</b>	<b>77,527</b>	<b>630,871</b>	<b>109,167</b>	<b>2,314,289</b>	<b>4,410,683</b>
<b>Total liabilities and net assets</b>	<b>\$ 139,683</b>	<b>\$ -</b>	<b>\$ 992,404</b>	<b>\$ 432,995</b>	<b>\$ 7,386,172</b>	<b>\$ 1,892,241</b>	<b>\$ 8,002,306</b>	<b>\$ 1,751,063</b>	<b>\$ 2,578,321</b>	<b>\$ 4,805,705</b>	<b>\$ 2,316,239</b>	<b>\$ 30,297,127</b>

CALCASIEU PARISH PUBLIC TRUST AUTHORITY

Schedule of Revenues, Expenses  
and Changes in Net Assets by Fund

See Accompanying Independent Auditors' Report

For the Year Ended May 31, 2004

	1989 Bond Fund	1991 Bond Fund	1992 Bond Fund	1997 Bond Fund	1998 Bond Fund	2000 Bond Fund	2001 Bond Fund	2002A Bond Fund	2002B Bond Fund	2003 Bond Fund	Operating Fund	Eliminating Entries	Combined Totals
<b>Operating revenues:</b>													
Investment income on mortgage loans	\$ 20,805	\$ -	\$ 65,872	\$ 23,416	\$ 373,721	\$ 113,797	\$ 450,545	\$ 76,656	\$ 251,675	\$ 98,994	\$ 9,201	\$ -	\$ 1,484,685
Investment income on investments	60	-	16,249	10,035	116,999	10,507	26,615	38,069	13,263	19,327	36,881	-	288,005
Commitment fees	-	-	-	-	-	-	-	-	-	-	207,920	(157,593)	50,327
Net recoveries from foreclosures	-	-	-	-	-	-	-	-	41,751	-	-	-	41,751
<b>Total operating revenues</b>	<b>20,865</b>	<b>-</b>	<b>82,122</b>	<b>33,452</b>	<b>490,720</b>	<b>124,304</b>	<b>477,160</b>	<b>114,725</b>	<b>306,689</b>	<b>118,322</b>	<b>254,002</b>	<b>(157,593)</b>	<b>1,864,768</b>
<b>Operating expenses:</b>													
Interest on debt	18,944	-	46,981	30,410	408,542	113,144	500,316	171,980	133,980	169,078	-	-	1,593,374
Amortization of bond issuance costs and other costs	2,529	-	4,823	6,455	59,097	1,963	17,075	93,366	14,625	2,453	-	-	202,388
Servicing fees	385	-	(2)	-	-	-	-	-	761	-	-	-	1,144
Mortgage loan insurance costs	-	-	163	-	-	-	-	-	6,036	-	751	-	6,950
Trustee fees	361	-	2,263	-	3,307	460	3,281	1,325	863	3,374	11,814	-	27,046
Accounting and auditing fees	-	-	-	-	-	-	-	-	-	-	21,615	-	21,615
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	53	-	39	3,290	2,055	4,494	10,692	10,081	119,257	147,758	31,308	(157,593)	171,433
<b>Total operating expenses</b>	<b>22,273</b>	<b>-</b>	<b>54,266</b>	<b>40,155</b>	<b>473,000</b>	<b>120,061</b>	<b>531,364</b>	<b>276,752</b>	<b>275,522</b>	<b>322,662</b>	<b>65,487</b>	<b>(157,593)</b>	<b>2,023,950</b>
<b>Change in Net Assets</b>	<b>\$ (1,407)</b>	<b>\$ -</b>	<b>\$ 27,856</b>	<b>\$ (6,704)</b>	<b>\$ 17,720</b>	<b>\$ 4,243</b>	<b>\$ (54,204)</b>	<b>\$ (162,027)</b>	<b>\$ 31,167</b>	<b>\$ (204,341)</b>	<b>\$ 188,514</b>	<b>\$ -</b>	<b>\$ (159,183)</b>

Calcasieu Parish Public Trust Authority

Schedule of Fund Equity by Fund

See Accompanying Independent Auditors' Report

For the Year Ended May 31, 2004

	1989 Bond Fund	1991 Bond Fund	1992 Bond Fund	1997 Bond Fund	1998 Bond Fund	2000 Bond Fund	2001 Bond Fund	2002A Bond Fund	2002B Bond Fund	2003 Bond Fund	Operating Fund	Combined Totals
<b>Remained Earnings:</b>												
Balance at beginning of year	943	2,136,102	(20,309)	(33,143)	244,530	(67,667)	(227,227)	(191,063)	(33,098)	-	375,405	2,184,475
Change in net assets	(1,407)	-	27,856	(6,704)	17,720	4,243	(54,204)	(162,027)	31,167	(204,341)	188,514	(159,183)
Residual capital transfers		(2,136,102)							2,123,369			(12,733)
<b>Balance at end of year</b>	(464)	0	7,547	(39,847)	262,250	(63,423)	(281,431)	(353,089)	2,121,438	(204,341)	563,920	2,012,559
<b>Additional Paid-in Capital</b>												
Balance at beginning of year	-	(2,069,880)	478,829	200,000	247,020	49,007	411,117	449,633	587,029	-	2,045,369	2,398,124
Contributed Capital	-	-	-	-	-	-	254	-	(7,972)	313,762	-	2,383,896
Transfers from other funds	-	2,069,880	7,972	-	-	(1)	-	(19,017)	(2,069,624)	(254)	(295,000)	(2,383,896)
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>	-	-	486,801	200,000	247,020	49,006	411,371	430,616	(1,490,567)	313,508	1,750,369	2,398,124
<b>Total Fund Equity</b>	(464)	-	494,348	160,153	509,270	(14,417)	129,940	77,527	630,871	109,167	2,314,289	4,410,683
Fund equity reserved under provisions of bond indentures	464	-	(494,348)	(160,153)	(509,270)	14,417	(129,940)	(77,527)	(630,871)	(109,167)	-	(2,096,394)
<b>FUND EQUITY, unreserved</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,314,289	\$ 2,314,289

CALCASIEU PARISH PUBLIC TRUST AUTHORITY

Schedule of Cash Flows By Fund

See Accompanying Independent Auditors' Report

For the Year Ended May 31, 2004

	1989 Bond Fund	1991 Bond Fund	1992 Bond Fund	1997 Bond Fund	1998 Bond Fund	2000 Bond Fund	2001 Bond Fund	2002A Bond Fund	2002B Bond Fund	2003 Bond Fund	Operating Fund	Combined Totals
<b>Cash Flows From Operating Activities:</b>												
Change in net assets:												
Adjustments to reconcile to net cash provided by (used in) operating activities:												
Amortization, net of accretion	448	-	5,936	6,456	(13,647)	(36,727)	(44,767)	(147,363)	14,625	(61,470)	-	(276,508)
Net recovery from foreclosures	-	-	-	-	-	-	-	-	(41,751)	-	-	(41,751)
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in:												
Accrued interest receivable	1,411	-	1,566	3,287	(15,298)	(5,337)	(19,583)	(3,916)	(10,770)	(19,820)	(7,333)	(75,794)
Accounts payable	(17)	-	116	(310)	(3,789)	5	(955)	1,000	(346)	1,000	(110)	(3,406)
Accrued interest payable	(1,428)	-	(2,204)	(736)	(22,793)	(12,082)	(21,418)	(53,431)	(10,578)	37,125	-	(87,546)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	(993)	-	33,271	1,992	(37,807)	(49,898)	(140,927)	(365,737)	(17,653)	(247,505)	181,071	(644,187)
<b>Cash Flows From Financing Activities:</b>												
Proceeds from issuance of bonds	(216,862)	-	(390,000)	(410,000)	(2,310,000)	(1,050,000)	(2,285,000)	(5,090,000)	(1,170,000)	6,122,337	-	6,122,337
Principal payments on bonds	-	(19,017)	13,406	0	-	-	254	(19,016)	(433)	(313,761)	(288,955)	(14,321,862)
Fund transfers	-	-	-	-	-	-	-	-	-	313,761	(288,955)	(0)
Deferred financing costs	-	-	-	-	-	-	-	-	-	(37,723)	-	(37,723)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	(216,862)	(19,017)	(376,594)	(410,000)	(2,310,000)	(1,050,000)	(2,284,746)	(5,109,016)	(1,170,433)	4,998,374	(288,955)	(6,237,249)
<b>Cash Flows From Investing Activities:</b>												
Collections of mortgage loans receivable	-	-	346,100	-	-	-	-	-	-	-	4,539	350,660
Proceeds from sales of other real estate	-	-	-	-	-	-	-	-	72,124	-	-	72,124
Proceeds from investment securities maturities	215,922	-	322,577	780,110	3,429,025	1,970,700	5,802,416	6,506,256	2,155,058	6,290,420	393,433	27,865,917
Purchases of investment securities	-	-	(254,894)	(366,946)	(1,080,178)	(788,364)	(3,410,416)	(992,018)	(1,009,018)	(10,995,523)	(1,423,938)	(20,321,295)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	215,922	-	413,784	413,164	2,348,847	1,182,336	2,392,000	5,514,238	1,218,163	(4,705,103)	(1,025,946)	7,967,406
<b>Net increase (decrease) in cash</b>	(1,934)	(19,017)	70,461	5,156	1,040	82,438	(33,674)	39,485	30,078	45,766	(1,133,830)	(914,031)
<b>Cash and cash equivalents, beginning of year</b>	3,249	19,017	2,187	1,001	1,000	10,714	86,732	4,504	53,644	-	1,556,486	1,738,534
<b>Cash and cash equivalents, end of year</b>	\$ 1,315	\$ -	\$ 72,648	\$ 6,157	\$ 2,040	\$ 93,152	\$ 53,058	\$ 43,989	\$ 83,722	\$ 45,766	\$ 422,656	\$ 824,503

Supplemental Disclosure: Cash paid for bond interest was \$2,115,744 and \$2,340,963 in 2004 and 2003, respectively.



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

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
Lake Charles, LA

We have audited the financial statements of the Calcasieu Parish Public Trust Authority as of and for the years ended May 31, 2004 and 2003, and have issued our report thereon dated November 12, 2004. We conducted our audit in accordance with generally accepted auditing standards of the United States of American 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 Calcasieu Parish Public Trust Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Public Trust Authority'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 that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
Page 2

This report is intended for the information of the audit committee, management, the Calcasieu Parish Police Jury, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Langley, William C., Sr., CPA*

Lake Charles, LA  
November 12, 2004

**Calcasieu Parish Public Trust Authority**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

May 31, 2004

We have audited the general purpose financial statements of Calcasieu Parish Public Trust Authority, as of and for the year ended May 31, 2004 and have issued our report thereon dated November 12, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of May 31, 2004 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**Report on Internal Control and Compliance Material to the General Purpose Financial Statements**

Internal Control:  
Material Weaknesses  Yes x No  
Reportable Conditions  Yes x No

Compliance:  
Compliance Material to  
General Purpose Financial Statements  Yes x No

**Section II Financial Statement Findings**

NONE.

**Section III Federal Award Findings and Questioned Costs**

NOT APPLICABLE.

**Calcasieu Parish Public Trust Authority**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

May 31, 2004

**2003**

NOT APPLICABLE.