

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996
(Continued)

NONOPERATING REVENUES (EXPENSES)	
Interest earnings	<u>\$ 2,871</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,871</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(8,505)</u>
OPERATING TRANSFERS	
Other funds	<u>-</u>
TOTAL OPERATING TRANSFERS	<u>-</u>
NET INCOME (LOSS)	<u>(8,505)</u>
Retained Earnings, beginning of year	100,360
Residual Equity Transfer - Sewer System Fund	<u>(76,340)</u>
Retained Earnings, end of year	<u>\$ 15,515</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Tax</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$ 691	\$ 30,855	101.1	\$ 700	2.3
222	30,484	100.0	711	2.3
457	30,327	97.6	1,418	4.6
126	32,723	98.9	808	2.4
496	31,706	99.6	942	3.0
363	31,626	97.6	1,711	5.3
305	32,459	99.7	1,110	3.4
836	34,921	101.7	277	0.8
272	35,444	99.2	560	1.6
352	36,363	99.6	716	2.0

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

Cash flows from operating activities:	
Operating income (loss)	\$ 91,180
Adjusting to reconcile net income to net cash provided by operating activities	
Depreciation	24,048
(Increase) decrease in:	
Accounts receivable	(978,762)
Due from other funds	-
Prepaid expenses	-
Increase (decrease) in:	
Accounts payable	-
Accrued liabilities	4,906
Contracts payable	975,685
Bond anticipation loan	69,000
Net cash provided (used) by operating activities	<u>186,057</u>
Cash flows from noncapital financing activities:	
Residual equity transfer in (out):	
Water system fund	<u>287,981</u>
Net cash provided (used) by noncapital financing activities	<u>287,981</u>
Cash flows from investing activities:	
Interest on investments	12,252
Sewer plant construction	<u>(809,535)</u>
Net cash provided (used) by investing activities	<u>(797,283)</u>
Cash flows from capital and related financing activities:	
Bond anticipation loan	<u>815,202</u>
Net cash provided (used) by capital and related financing activities	<u>815,202</u>
Net increase (decrease) in cash	491,957
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 491,957</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996
(Continued)

SUPPLEMENTAL DISCLOSURES

Cash and cash equivalents at end of year:

Unrestricted

Cash and cash equivalents	\$ 463,597
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Restricted cash and cash equivalents:

Revenue and operating fund	976
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Sewer revenue bond sinking fund	5,156
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Project construction fund	22,228
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Total restricted cash and cash equivalents	28,360
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Total cash and cash equivalents at end of year	\$ 491,957
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Transfers in of fixed assets (net of depreciation) were:	\$ 554,362
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Contributed capital transferred in was:	\$ 766,044
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Acquisition sewer system:

Assets acquired	\$ 1,695,332
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Less cash	(769,412)
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Assumed liabilities	\$ 925,920
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Non-cash loan

Bond anticipation loan	\$ 1,770,000
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Less cash received	(815,202)
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Receivable - Department of Environmental Quality	\$ 954,798
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Interest paid during the year was:

Interest paid	\$ 476
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Less interest capitalized	(476)
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Total interest paid	\$ -
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(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used by proprietary fund operations.

TOWN OF LOCKPORT
 STATEMENT OF GENERAL FIXED ASSETS
 June 30, 1996

	1996
GENERAL FIXED ASSETS:	
Land	\$ 177,595
Buildings	730,129
Traffic system	76,607
Office equipment and furniture	92,195
Automobiles and trucks	62,004
Drainage system pumping unit	77,538
Other equipment	95,144
Comeaux ditch drainage project	149,960
Drainage system - general	232,383
Timber bulkhead	210,837
TOTAL GENERAL FIXED ASSETS:	\$ 1,904,392
 INVESTMENT IN GENERAL FIXED ASSETS:	
General obligation bonds	62,251
Federal grants	532,967
Sales tax revenues	291,939
General Fund revenues	28,805
Utilities System revenues	6,446
State revenue sharing funds	14,374
Federal revenue sharing funds	86,210
State grants	733,285
Donations	148,095
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 1,904,372

NOTE: Includes only property acquired subsequent to October 1, 1948.

The accompanying notes to financial statements are an integral part of these statements.

<u>Traffic System</u>	<u>Office Equipment</u>	<u>Automobiles and Trucks</u>	<u>Drainage Pumping Unit</u>	<u>Other Equipment</u>	<u>Timber Bulkhead</u>	<u>Total</u>
\$ 76,607	\$ 95,606	\$ 74,926	77,538	\$ 93,501	\$ 210,837	\$ 1,775,987
-	-	-	-	-	-	143,095
-	-	3,075	-	2,400	-	5,475
-	-	3,075	-	2,400	-	148,570
76,607	95,606	78,001	77,538	95,901	210,837	1,924,557
-	3,431	15,997	-	757	-	20,185
\$ 76,607	\$ 92,175	\$ 62,004	77,538	\$ 95,144	\$ 210,837	\$ 1,904,372

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF LOCKPORT

STATEMENT OF GENERAL LONG-TERM DEBT

June 30, 1996

Certificate of Indebtedness
Series 1987
1996

AMOUNTS FOR RETIREMENT OF GENERAL
LONG-TERM DEBT

Amount available in Debt Service Fund	\$ -
Amount to retire long-term liabilities:	
Sales Tax Fund revenue	<u>-</u>
TOTAL AVAILABLE AND TO BE PROVIDED	<u>\$ -</u>

GENERAL LONG-TERM DEBT PAYABLE

Long-term liabilities	
Certificates payable	<u>\$ -</u>
TOTAL GENERAL LONG-TERM DEBT PAYABLE	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

Ann J. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

(504) 446-0994

INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996. These general purpose financial statements are the responsibility of Town of Lockport, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I 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 general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Lockport, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996

<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Miscellaneous Revenues</u>	<u>Total</u>
\$ 129,310	\$ 15,165	\$ 40,427	\$ 31,975	\$ 1,067,200
145,996	13,654	24,280	62,207	548,822
48,770	9,839	5,462	64,262	446,401
-	12,388	8,011	35,675	371,153
-	15,721	6,113	36,697	379,067
-	8,730	4,664	38,800	367,853
-	35,852	2,047	43,264	424,556
-	25,032	2,124	28,085	423,149
-	21,190	2,910	36,958	464,139
-	12,992	6,579	41,736	469,048

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS

	1996
OPERATING REVENUES	
Charges for services	
Sewer fees	\$ 164,632
Sewer charges	1,103
Delinquent charges	4,576
TOTAL OPERATING REVENUES	170,311
OPERATING EXPENSES	
General and administrative	
Salaries	
Administrative	13,527
Meter reader	1,695
Retirement	1,020
Utilities, phone and postage	1,675
Stationary, printing & office expense	182
Legal and auditing	2,090
Insurance	1,763
Payroll expense	169
Rent expense	900
Bank charges	236
Other expense	15
Total General and administrative	23,272

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
\$ 24,000	\$ -	-	-
-	264,908	7.18	109.28
-	213,954	5.61	88.26
8,750	161,250	4.03	66.52
8,750	146,250	3.79	58.43
11,667	128,333	3.27	51.27
11,667	108,333	2.75	43.28
13,567	86,433	2.08	34.53
13,897	66,103	1.53	26.41
-	-	-	-

TOWN OF LOCKPORT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures
1987	\$ 21,000	\$ 2,055	\$ 23,055	\$ 580,052	4.0
1988	24,000	980	24,980	1,299,004	1.9
1989	15,000	16,288	31,288	446,594	7.0
1990	15,000	15,200	30,200	349,804	8.6
1991	15,000	14,056	29,056	406,462	7.1
1992	15,000	12,875	27,875	371,429	7.5
1993	20,000	11,450	31,450	373,800	8.4
1994	20,000	9,775	29,775	381,392	7.8
1995	20,000	8,050	28,050	348,981	8.0
1996	80,000	4,400	84,400	461,706	18.3

Note:

(1) Includes General, Special Revenue and Debt Service Funds.

TOWN OF LOCKPORT
 SCHEDULE OF INSURANCE IN FORCE
 June 30, 1996

Name of Insurer	Policy Period		Details of Coverage	Amount
	From	To		
Louisiana Municipal Risk Management Agency	01/01/96	- 12/31/96	Workmen's Compensation (Statutory)	100,000
Louisiana Municipal Risk Management Agency	09/21/95	- 09/21/96	1. Commercial General Liability 2. Premises/Operations 3. Products/Completed Operations	
			Aggregate Limit	500,000
			Combined Single Limits	500,000
			Fire Damage Limit	50,000
			Medical Expense Limit	1,000 /Person 10,000 /Accident
			Deductible	-0-
Louisiana Municipal Risk Management Agency	09/21/95	- 09/21/96	Automobile Liability Liability Deductible	500,000 CSL -0-
Lafayette Insurance Company	09/23/95	- 09/23/96	Fire and extended coverage (buildings and contents): Town Hall Deductible	600,000 / 10,000 500
Western Security Company	10/10/95	- 10/10/96	Fidelity bond - name schedule bond	5,000 and 2,000
Louisiana Municipal Risk Management Agency	09/21/95	- 09/21/96	Personal Injury and PD Junior Police Deductible	500,000 CSL 1,000 ea. occurrence
Louisiana Municipal Risk Management Agency	09/21/95	- 09/21/96	Public Officials' Errors and Omission Liability Deductible	500,000 CSL 1,000 ea. occurrence
Audubon Indemnity Company	09/21/95	- 09/21/96	Commercial Auto Physical Damage Comp/Collision (schedule vehicles) Deductible (per unit)	ACV or Cost 500

(Continued)

TOWN OF LOCKPORT

SCHEDULE OF INSURANCE IN FORCE - Continued
June 30, 1996

<u>Name of Insurer</u>	<u>Policy Period</u> <u>From</u> <u>To</u>	<u>Details of Coverage</u>	<u>Amount</u>
National Life Insurance Company	08/05/96 - 08/04/96	Youth accident Junior Police Deductible	50,000 Overall ea. accident 1,000 death 2,000 specific loss -0-

(Concluded)

TOWN OF LOCKPORT

PRINCIPAL TAXPAYERS (UNAUDITED)

June 30, 1996

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1996 Assessed Valuation</u>	<u>Percentage or Total Assessed Valuation</u>
South Central Bell	Telephone	\$ 444,620	10.06
Bank One	Financial Institution	301,280	6.82
ArgentBank	Financial Institution	226,590	5.12
Louisiana Power & Light	Utility	115,230	2.61
Roy Baudoin Furniture and Appliances	Retail Furniture	91,930	2.08
Lockport Elderly Apartments	Apartment Complex	59,850	1.35
National Tea Company	Supermarket	50,870	1.15
Christiania Insurance Corporation	Insurance	42,630	0.96
Roger's Parts	Retail	34,750	0.79
Gaudet's	Retail	29,860	0.68
		<u>\$ 1,397,610</u>	<u>31.62</u>

TOWN OF LOCKPORT

MISCELLANEOUS STATISTICS (UNAUDITED)

June 30, 1996

Date of incorporation	May 10, 1899
Form of government	Mayor - Board of Aldermen
Area	1 square mile
Miles of street	18
Number of street lights owned by LP&L	283
Fire protection (volunteer firemen)	
Number of stations	1
Number of firemen	40
Police protection:	
Number of stations	1
Number of policemen and officers	4
Education:	
Attendance Centers:	
Junior High	1
Elementary	3
Number of classrooms	74
Number of teachers	85
Number of students	1,205
Municipal water department:	
Number of consumers	1,085
Average annual consumption	73,006 gals
Miles of water mains	17
Sewers:	
Sanitary sewers	18 miles
Building permits issued	32
Recreation and culture:	
Number of parks	2 with 15 acres
Number of libraries	1
Number of volumes	14,650 (approx.)
Employees:	
Excluding policemen	15

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TOWN OF LOCKPORT

SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE

June 30, 1996

ANN T. HEBERT, C.P.A.

901 RIDGEFIELD ROAD
THIBODAUX, LA 70301
(504) 446-0994

TOWN OF LOCKPORT
SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE
June 30, 1996

TOWN OF LOCKPORT
SPECIAL REVENUE FUNDS

COMBINED BALANCE SHEET
June 30, 1996

	Sales Tax	Building Maintenance	Totals <small>(Memorandum Only)</small>
ASSETS			
Cash	\$ 199,830	\$ 8,543	\$ 208,373
Receivables	247	-	247
Due from other governments	12,925	-	12,925
Due from other funds	582	-	582
Prepaid expenses	150	-	150
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 213,734</u>	<u>\$ 8,543</u>	<u>\$ 222,277</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 151	\$ 1,562	\$ 1,713
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 151</u>	<u>\$ 1,562</u>	<u>\$ 1,713</u>
 FUND BALANCE			
Unreserved			
Designated	\$ 80,000	\$ -	\$ 80,000
Undesignated	133,583	6,981	140,564
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>213,583</u>	<u>6,981</u>	<u>220,564</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 213,734</u>	 <u>\$ 8,543</u>	 <u>\$ 222,277</u>

The accompanying notes to financial statements are an integral part of these statements.

<u>Drainage</u>	<u>Public Safety Police</u>	<u>Parks and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
\$ 23,747	\$ 108,195	\$ 1,536	\$ 24,189	\$ 581,052
90,973	107,761	2,086	38,490	1,299,004
29,804	115,449	610	38,558	446,594
17,537	112,137	1,344	30,700	349,804
25,653	141,435	8,597	29,306	406,462
49,908	107,429	1,391	28,166	371,429
24,291	147,103	1,705	31,746	373,800
18,001	112,099	8,401	30,052	381,392
12,728	131,317	1,002	28,216	348,981
44,854	117,937	1,853	84,400	461,706

TOWN OF LOCKPORT

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
OPERATING SERVICES			
Charges for services -			
Water sales	\$ 137,011	\$ -	\$ 137,011
Sewer fees	-	164,632	164,632
Delinquent charges	3,808	4,576	8,384
Miscellaneous	3,192	1,103	4,295
TOTAL OPERATING REVENUES	144,011	170,311	314,322
OPERATING EXPENSES:			
Water department expenses	117,038	-	117,038
Sewer department expenses	-	31,811	31,811
General and administrative	23,271	23,272	46,543
Depreciation expense	15,078	24,048	39,126
TOTAL OPERATING EXPENSES	155,387	79,131	234,518
OPERATING INCOME (LOSS)	(11,376)	91,180	79,804
NONOPERATING REVENUES (EXPENSES):			
Interest earnings	2,871	12,251	15,122
TOTAL NONOPERATING REVENUES (EXPENSES)	2,871	12,251	15,122
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(8,505)	103,431	94,926
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET INCOME (LOSS)	(8,505)	103,431	94,926
Retained earnings, beginning	100,360	-	100,360
Residual Equity Transfer	(76,340)	76,340	-
Retained earnings, ending	<u>\$ 15,515</u>	<u>\$ 179,771</u>	<u>\$ 195,286</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

June 30, 1996

	Sales <u>Tax</u>	Building <u>Maintenance</u>	Totals <small>(Memorandum Only)</small>
REVENUES:			
Sales tax collections	\$ 149,229	\$ -	\$ 149,229
Leases	-	23,790	23,790
Interest income	5,121	-	5,121
	<u>154,350</u>	<u>23,790</u>	<u>178,140</u>
TOTAL REVENUES			
EXPENDITURES:			
General and administrative	9,305	-	9,305
Town Hall Complex	-	17,009	17,009
Capital outlays	-	-	-
	<u>9,305</u>	<u>17,009</u>	<u>26,314</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	<u>145,045</u>	<u>6,781</u>	<u>151,826</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out):			
General Fund	(70,500)	200	(70,300)
Debt Service Fund	(70,383)	-	(70,383)
	<u>(140,883)</u>	<u>200</u>	<u>(140,683)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>4,162</u>	<u>6,981</u>	<u>11,143</u>
Fund Balances at beginning of year	<u>209,421</u>	<u>-</u>	<u>209,421</u>
Fund Balances at end of year	<u>\$ 213,583</u>	<u>\$ 6,981</u>	<u>\$ 220,564</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
SALES TAX FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Cash	\$ 199,830
Receivable - accrued interest	247
Due from other governments	12,925
Due from other funds	582
Prepaid expenses	150
TOTAL ASSETS	\$ 213,734
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 151
TOTAL LIABILITIES	151
 FUND BALANCE	
Unreserved	
Designated	80,000
Undesignated	133,583
TOTAL FUND BALANCE	213,583
TOTAL LIABILITIES AND FUND BALANCE	\$ 213,734

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Sales tax collections	\$ 145,260	\$ 149,229	\$ 3,969
Interest income	4,400	5,121	721
TOTAL REVENUES	<u>149,660</u>	<u>154,350</u>	<u>4,690</u>
EXPENDITURES			
General and administrative			
Rent expense	1,800	1,800	-
Bank charges	-	25	(25)
Collection fee	7,500	7,480	20
Capital outlays	-	-	-
TOTAL EXPENDITURES	<u>9,300</u>	<u>9,305</u>	<u>(5)</u>
Excess (deficiency) of revenues over expenditures	<u>140,360</u>	<u>145,045</u>	<u>4,685</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out):			
General Fund	(74,335)	(70,500)	3,835
Debt Service Fund	(68,033)	(70,383)	(2,350)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(142,368)</u>	<u>(140,883)</u>	<u>1,485</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(2,008)</u>	<u>4,162</u>	<u>6,170</u>
Fund Balances at beginning of year	<u>209,421</u>	<u>209,421</u>	<u>-</u>
Fund Balances at end of year	<u>\$ 207,413</u>	<u>\$ 213,583</u>	<u>\$ 6,170</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
BUILDING MAINTENANCE FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Cash	<u>\$8,543</u>
TOTAL ASSETS	<u>\$8,543</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$1,562</u>
TOTAL LIABILITIES	<u>1,562</u>
FUND BALANCE	
Unreserved	
Undesignated	<u>6,981</u>
TOTAL FUND BALANCE	<u>6,981</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$8,543</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
BUILDING MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Leases	\$ 21,000	\$ 23,790	\$ 2,790
Interest Income	200	-	(200)
TOTAL REVENUES	<u>21,200</u>	<u>23,790</u>	<u>2,590</u>
EXPENDITURES			
Town hall complex			
Utilities	9,000	9,334	(334)
Insurance	5,000	3,630	1,370
Maintenance and supplies	4,000	3,977	23
Other expenses	500	68	432
TOTAL EXPENDITURES	<u>18,500</u>	<u>17,009</u>	<u>1,491</u>
Excess (deficiency) of revenues over expenditures	<u>2,700</u>	<u>6,781</u>	<u>4,081</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers in (out):			
General Fund	-	200	200
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>200</u>	<u>200</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>2,700</u>	<u>6,981</u>	<u>4,281</u>
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 2,700</u>	<u>\$ 6,981</u>	<u>\$ 4,281</u>

The accompanying notes to financial statements are an integral part of these statements.

DEBT SERVICE FUND

Certificate of Indebtedness 12/01/87 -To accumulate monies for payment of 1987 \$200,000 Certificate of Indebtedness, which are certificates due in annual installments, plus interest, through maturity in 1997. Debt service is financed from proceeds of the Town's 1% sales and use tax.

TOWN OF LOCKPORT
DEBT SERVICE FUND
CERTIFICATE OF INDEBTEDNESS 12/01/87

BALANCE SHEET
June 30, 1996

	<u>1996</u>
ASSETS	
Cash	\$ -
TOTAL ASSETS	<u>\$ -</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Due to other funds	\$ -
TOTAL LIABILITIES	<u>-</u>
FUND BALANCE	
Unreserved	
Designated	<u>-</u>
TOTAL FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
DEBT SERVICE FUND
CERTIFICATE OF INDEBTEDNESS 12/01/87

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Interest income	\$ 120	\$ 120	\$ -
TOTAL REVENUES	120	120	-
EXPENDITURES			
Principal retirement	80,000	80,000	-
Interest expense	3,587	3,588	(1)
Paying agent fees	800	800	-
Other expense	12	12	-
TOTAL EXPENDITURES	84,399	84,400	(1)
Excess (deficiency) of revenues over expenditures	(84,279)	(84,280)	(1)
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out):			
Sales Tax Fund	70,382	70,383	1
TOTAL OTHER FINANCING SOURCES (USES)	70,382	70,383	1
Excess (deficiency) of revenues over expenditures and other sources (uses)	(13,897)	(13,897)	-
Fund Balance at beginning of year	13,897	13,897	-
Fund Balance at end of year	\$ -	\$ -	\$ -

The accompanying notes to financial statements are an integral part of these statements.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Water System Fund - To account for the provision of water service to residents of the Town. All activities necessary to provide such service is accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewer System Fund - To account for the provision of sewer service to residents of the Town. All activities necessary to provide such service is accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996
(Continued)

NONOPERATING REVENUES (EXPENSES)	
Interest earnings	<u>\$ 12,251</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>12,251</u>
INCOME BEFORE OPERATING TRANSFERS	<u>103,431</u>
OPERATING TRANSFERS	
Other funds	<u>-</u>
TOTAL OPERATING TRANSFERS	<u>-</u>
NET INCOME (LOSS)	<u>103,431</u>
Retained Earnings, beginning of year	-
Residual Equity Transfer - Water System Fund	<u>76,340</u>
Retained Earnings, end of year	<u>\$ 179,771</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS

COMBINED BALANCE SHEET
 June 30, 1996
 (Continued)

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Current Liabilities (from Current Assets)			
Accounts payable	\$ 16,800	\$ -	\$ 16,800
Due to other funds	7,238	-	7,238
Bond anticipation loan	-	69,000	69,000
Total Current Liabilities (from Current Assets)	24,038	69,000	93,038
Current Liabilities (from Restricted Assets)			
Customer's meter deposits	39,580	-	39,580
Contracts payable	-	975,685	975,685
Accrued interest payable	-	4,906	4,906
Total Current Liabilities (from Restricted Assets)	39,580	980,591	1,020,171
Long-term liabilities			
Bond anticipation loan	-	1,701,000	1,701,000
Total Long-term Liabilities	-	1,701,000	1,701,000
TOTAL LIABILITIES	63,618	2,750,591	2,814,209
FUND EQUITY			
Contributed Capital			
Municipality	103,893	12,474	116,367
Sales Tax Bond Issue	108,750	-	108,750
Sewerage Assessment Fund	-	445,180	445,180
State Grant	-	150,000	150,000
Federal Grant	-	158,350	158,350
Total Contributed Capital	212,643	766,004	978,647
Retained Earnings			
Reserved	-	2,567	2,567
Unreserved			
Designated	-	-	-
Undesignated	15,515	177,204	192,719
Total Retained Earnings	15,515	179,771	195,286
TOTAL FUND EQUITY	228,158	945,775	1,173,933
TOTAL LIABILITIES AND FUND EQUITY	\$ 291,776	\$ 3,696,366	\$ 3,988,142

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996
(Continued)

	<u>1996</u>
Sewer department	
Salaries	
Plant operator	\$ 1,203
Plant maintenance	3,516
Line maintenance	2,808
Retirement	826
Utilities, phone and postage	7,462
Insurance	1,094
Vehicle expense	53
Chemicals	7,726
NPDES permit	1,586
Plant maintenance	124
Sewerline maintenance	779
Equipment maintenance	3,141
Engineering fees	288
Other expense	<u>1,205</u>
 Total Sewer department	 <u>31,811</u>
 Depreciation	
Sewer plant	12,024
Sewerlines	<u>12,024</u>
 Total Depreciation	 <u>24,048</u>
 TOTAL OPERATING EXPENSES	 <u>79,131</u>
 OPERATING INCOME	 <u>91,180</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
 Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
Cash flows from operating activities:			
Operating flows from operating activities	\$ (11,376)	\$ 91,180	\$ 79,804
Adjusting to reconcile net income to net cash provided by operating activities			
Depreciation	15,078	24,048	39,126
(Increase) decrease in:			
Accounts receivable	20,586	(978,762)	(958,176)
Due from other funds	-	-	-
Prepaid expenses	1,260	-	1,260
Increase (decrease) in:			
Accounts payable	5,458	-	5,458
Accrued liabilities	3,001	4,906	7,907
Due to other funds	78	-	78
Contracts payable	(104,906)	975,685	870,779
Bond anticipation loan	-	69,000	69,000
Net cash provided (used) by operating activities	<u>(70,821)</u>	<u>186,057</u>	<u>115,236</u>
Cash flows from noncapital financing activities:			
Residual equity transfer in (out)	<u>(287,981)</u>	<u>287,981</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(287,981)</u>	<u>287,981</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	2,871	12,252	15,123
Sewer plant construction	-	(809,535)	(809,535)
Net cash provided (used) by investing activities	<u>2,871</u>	<u>(797,283)</u>	<u>(794,412)</u>
Cash flows from capital and related financing activities:			
Capital Grant - State of Louisiana	96,050	-	96,050
Bond anticipation loan	-	815,202	815,202
Net cash provided (used) by capital and related financing activities	<u>96,050</u>	<u>815,202</u>	<u>911,252</u>
Net increase (decrease) in cash	(259,881)	491,957	232,076
Cash and cash equivalents at beginning of year	<u>359,520</u>	<u>-</u>	<u>359,520</u>
Cash and cash equivalents at end of year	<u>\$ 99,639</u>	<u>\$ 491,957</u>	<u>\$ 591,596</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Current Assets	
Cash	
Bank Operating Account	\$ 46,784
Capital Additions Fund	8,697
Meter Deposit Fund	4,378
Petty cash	200
NSF checks	332
Receivables	
Water	13,413
Penalties	1,230
Sales tax	756
Accrued interest	338
Prepaid expenses	647
Total Current Assets	76,775
Restricted Assets	
Customers' meter deposits	
Meter Deposit Fund	4,580
Certificate of deposit	35,000
Total Restricted Assets	39,580
Fixed Assets	
Property, plant and equipment	
Land	10,000
Water Works system cost	645,546
Office equipment	777
Accumulated depreciation	(480,907)
Total Fixed Assets	175,416
Other Assets	
Commercial deposits	5
Total Other Assets	5
TOTAL ASSETS	\$ 291,776

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
 WATER SYSTEM ENTERPRISE FUND

BALANCE SHEET
 June 30, 1996
 (Continued)

	<u>1996</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Current Liabilities (from Current Assets)	
Accounts payable	\$ 16,800
Due to other funds	<u>7,238</u>
Total Current Liabilities (from Current Assets)	<u>24,038</u>
Current Liabilities (from Restricted Assets)	
Customers' meter deposits	<u>39,580</u>
Total Current Liabilities (from Restricted Assets)	<u>39,580</u>
TOTAL LIABILITIES	<u>63,618</u>
FUND EQUITY	
Contributed Capital	
Municipality	103,893
Sales Tax Bond Issue	<u>108,750</u>
Total Contributed Capital	<u>212,643</u>
Retained Earnings	
Undesignated	<u>15,515</u>
Total Retained Earnings	<u>15,515</u>
TOTAL FUND EQUITY	<u>228,158</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 291,776</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996
(Continued)

	<u>1996</u>
Water department	
Salaries	
Plant operator	\$ 44,967
Plant maintenance	1,381
Line maintenance	8,952
Retirement	2,500
Utilities, phone and postage	14,399
Insurance	9,187
Vehicle expense	2,061
Water purchases	-
Chemicals	13,666
Plant maintenance	830
Waterline maintenance	11,121
Equipment maintenance	7,722
Other expense	<u>252</u>
 Total Water department	 <u>117,038</u>
 Depreciation	
Water plant	7,539
Waterlines	<u>7,539</u>
 Total Depreciation	 <u>15,078</u>
 TOTAL OPERATING EXPENSES	 <u>155,387</u>
 OPERATING INCOME (LOSS)	 <u>(11,376)</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

Cash flows from operating activities:	
Operating income (loss)	\$ (11,376)
Adjusting to reconcile net income to net cash provided by operating activities	
Depreciation	15,078
(Increase) decrease in:	
Accounts receivable	20,586
Due from other funds	-
Prepaid expenses	1,260
Increase (decrease) in:	
Accounts payable	5,458
Accrued liabilities	3,001
Due to other funds	78
Contracts payable	<u>(104,906)</u>
Net cash provided (used) by operating activities	<u>(70,821)</u>
Cash flows from noncapital financing activities:	
Residual equity transfer in (out):	
Sewer system fund	<u>(287,981)</u>
Net cash provided (used) by noncapital financing activities	<u>(287,981)</u>
Cash flows from investing activities:	
Interest on investments	<u>2,871</u>
Net cash provided (used) by investing activities	<u>2,871</u>
Cash flows from capital and related financing activities:	
Capital Grant - State of Louisiana	<u>96,050</u>
Net cash provided (used) by capital and related financing activities	<u>96,050</u>
Net increase (decrease) in cash	(259,881)
Cash and cash equivalents at beginning of year	<u>359,520</u>
Cash and cash equivalents at end of year	<u>\$ 99,639</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996
(Continued)

SUPPLEMENTAL DISCLOSURES

Cash and cash equivalents at end of year:	
Cash	\$ 60,059
Restricted cash - Customers' meter deposits	<u>39,580</u>
Total cash and cash equivalents at end of year	<u>\$ 99,639</u>

NOTE:

At June 30, 1996, the Town held \$332 of non-sufficient fund checks not included in above total cash.

Transfers out of fixed assets (net of depreciation) were:	<u>\$ 554,362</u>
Contributed capital transferred out was:	<u>\$ 766,004</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Current Assets	
Cash	
Revenue and Operating Fund	\$ 63,597
Certificate of deposit	400,000
Receivables	
Sewer	19,032
Sewer connection	1,345
Accrued interest	3,587
Total Current Assets	487,561
Restricted Assets	
Cash	
Revenue and Operating Fund	976
Sewer Revenue Bond Sinking Fund	5,156
Project Construction Fund	22,228
Receivable - Department of Environmental Quality	954,798
Total Restricted Assets	983,158
Fixed Assets	
Property, plant and equipment	
Sewer system cost	1,003,279
Construction-in-progress	1,948,677
Accumulated depreciation	(726,309)
Total Fixed Assets	2,225,647
TOTAL ASSETS	\$ 3,696,366

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996
(Continued)

	<u>1996</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Current Liabilities (from Current Assets)	
Bond anticipation loan	\$ 69,000
Total Current Liabilities (from Current Assets)	<u>69,000</u>
Current Liabilities (from Restricted Assets)	
Contracts payable	975,685
Accrued interest payable	4,906
Total Current Liabilities (from Restricted Assets)	<u>980,591</u>
Long-term liabilities	
Bond anticipation loan	<u>1,701,000</u>
Total Long-term Liabilities	<u>1,701,000</u>
TOTAL LIABILITIES	<u>2,750,591</u>
FUND EQUITY	
Contributed Capital	
Municipality	12,474
Sewerage Assessment Fund	445,180
State Grant	150,000
Federal Grant	158,350
Total Contributed Capital	<u>766,004</u>
Retained Earnings	
Reserved for long-term debt	2,567
Unreserved	
Undesignated	<u>177,204</u>
Total Retained Earnings	<u>179,771</u>
TOTAL FUND EQUITY	<u>945,775</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,696,366</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

Ann J. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

(504) 446-0994

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996. I have also audited the compliance of Town of Lockport, Louisiana, with requirements applicable to a major federal financial assistance program and have issued my report thereon dated August 28, 1996.

I conducted my audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Town of Lockport, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audits for the year ended June 30, 1996, I considered the internal control structure of Town of Lockport, Louisiana, in order to determine my auditing procedures for the purpose of expressing my opinions on the general purpose financial statements of Town of Lockport, Louisiana, and on the compliance of Town of Lockport, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated August 28, 1996.

The management of Town of Lockport, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by

TOWN OF LOCKPORT
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS

COMBINED BALANCE SHEET

June 30, 1996

	Enterprise Fund Types		
	Water System Fund	Sewer System Fund	Totals <small>(Memorandum Only)</small>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 60,391	\$ 463,597	\$ 523,988
Receivables	15,737	23,964	39,701
Prepaid expenses	647	-	647
Total Current Assets	76,775	487,561	564,336
Restricted Assets			
Cash and cash equivalents	39,580	28,360	67,940
Receivables	-	954,798	954,798
Total Restricted Assets	39,580	983,158	1,022,738
Fixed Assets			
Property, plant and equipment			
Land	10,000	-	10,000
Sewer system coast	-	1,003,279	1,003,279
Water Works system cost	645,546	-	645,546
Office equipment	777	-	777
Construction-in-progress (Engineering fees)	-	1,948,677	1,948,677
Accumulated depreciation	(480,907)	(726,309)	(1,207,216)
Total Fixed Assets	175,416	2,225,647	2,401,063
Other Assets			
Commercial deposits	5	-	5
Total Other Assets	5	-	5
TOTAL ASSETS	\$ 291,776	\$ 3,696,366	\$ 3,988,142

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1996

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996
(Continued)

	<u>1996</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Current Liabilities (from Current Assets)	
Accounts payable	\$ 16,800
Due to other funds	<u>7,238</u>
Total Current Liabilities (from Current Assets)	<u>24,038</u>
Current Liabilities (from Restricted Assets)	
Customers' meter deposits	<u>39,580</u>
Total Current Liabilities (from Restricted Assets)	<u>39,580</u>
TOTAL LIABILITIES	<u>63,618</u>
FUND EQUITY	
Contributed Capital	
Municipality	103,893
Sales Tax Bond Issue	<u>108,750</u>
Total Contributed Capital	<u>212,643</u>
Retained Earnings	
Undesignated	<u>15,515</u>
Total Retained Earnings	<u>15,515</u>
TOTAL FUND EQUITY	<u>228,158</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 291,776</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996

	1996
OPERATING REVENUES	
Charges for services	
Water sales	\$ 137,011
Delinquent charges	3,808
Meter connection fees	1,305
Water service fees	1,150
Other	737
TOTAL OPERATING REVENUES	144,011
OPERATING EXPENSES	
General and administrative	
Salaries	
Administrative	13,527
Meter reader	1,695
Retirement	1,020
Utilities, phone and postage	1,675
Stationary, printing & office expense	182
Legal and auditing	2,090
Insurance	1,763
Payroll expense	169
Rent expense	900
Bank charges	235
Other expense	15
Total General and administrative	23,271

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
 WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
 EXPENSES, AND CHANGES IN RETAINED EARNINGS
 Year Ended June 30, 1996
 (Continued)

	<u>1996</u>
Water department	
Salaries	
Plant operator	\$ 44,967
Plant maintenance	1,381
Line maintenance	8,952
Retirement	2,500
Utilities, phone and postage	14,399
Insurance	9,187
Vehicle expense	2,061
Water purchases	-
Chemicals	13,666
Plant maintenance	830
Waterline maintenance	11,121
Equipment maintenance	7,722
Other expense	<u>252</u>
 Total Water department	 <u>117,038</u>
 Depreciation	
Water plant	7,539
Waterlines	<u>7,539</u>
 Total Depreciation	 <u>15,078</u>
 TOTAL OPERATING EXPENSES	 <u>155,387</u>
 OPERATING INCOME (LOSS)	 <u>(11,376)</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996
(Continued)

NONOPERATING REVENUES (EXPENSES)	
Interest earnings	<u>\$ 2,871</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,871</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(8,505)</u>
OPERATING TRANSFERS	
Other funds	<u>-</u>
TOTAL OPERATING TRANSFERS	<u>-</u>
NET INCOME (LOSS)	<u>(8,505)</u>
Retained Earnings, beginning of year	100,360
Residual Equity Transfer - Sewer System Fund	<u>(76,340)</u>
Retained Earnings, end of year	<u>\$ 15,515</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

Cash flows from operating activities:	
Operating income (loss)	\$ (11,376)
Adjusting to reconcile net income to net cash provided by operating activities	
Depreciation	15,078
(Increase) decrease in:	
Accounts receivable	20,586
Due from other funds	-
Prepaid expenses	1,260
Increase (decrease) in:	
Accounts payable	5,458
Accrued liabilities	3,001
Due to other funds	78
Contracts payable	<u>(104,906)</u>
Net cash provided (used) by operating activities	<u>(70,821)</u>
Cash flows from noncapital financing activities:	
Residual equity transfer in (out):	
Sewer system fund	<u>(287,981)</u>
Net cash provided (used) by noncapital financing activities	<u>(287,981)</u>
Cash flows from investing activities:	
Interest on investments	<u>2,871</u>
Net cash provided (used) by investing activities	<u>2,871</u>
Cash flows from capital and related financing activities:	
Capital Grant - State of Louisiana	<u>96,050</u>
Net cash provided (used) by capital and related financing activities	<u>96,050</u>
Net increase (decrease) in cash	(259,881)
Cash and cash equivalents at beginning of year	<u>359,520</u>
Cash and cash equivalents at end of year	<u>\$ 99,639</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996
(Continued)

SUPPLEMENTAL DISCLOSURES

Cash and cash equivalents at end of year:

Cash	\$ 60,059
Restricted cash - Customers' meter deposits	<u>39,580</u>

Total cash and cash equivalents at end of year	<u>\$ 99,639</u>
--	------------------

NOTE:

At June 30, 1996, the Town held \$332 of non-sufficient fund checks not included in above total cash.

Transfers out of fixed assets (net of depreciation) were:	<u>\$ 554,362</u>
---	-------------------

Contributed capital transferred out was:	<u>\$ 766,004</u>
--	-------------------

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Current Assets	
Cash	
Revenue and Operating Fund	\$ 63,597
Certificate of deposit	400,000
Receivables	
Sewer	19,032
Sewer connection	1,345
Accrued interest	3,587
Total Current Assets	487,561
Restricted Assets	
Cash	
Revenue and Operating Fund	976
Sewer Revenue Bond Sinking Fund	5,156
Project Construction Fund	22,228
Receivable - Department of Environmental Quality	954,798
Total Restricted Assets	983,158
Fixed Assets	
Property, plant and equipment	
Sewer system cost	1,003,279
Construction-in-progress	1,948,677
Accumulated depreciation	(726,309)
Total Fixed Assets	2,225,647
TOTAL ASSETS	\$ 3,696,366

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996
(Continued)

	<u>1996</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Current Liabilities (from Current Assets)	
Bond anticipation loan	\$ 69,000
Total Current Liabilities (from Current Assets)	<u>69,000</u>
Current Liabilities (from Restricted Assets)	
Contracts payable	975,685
Accrued interest payable	4,906
Total Current Liabilities (from Restricted Assets)	<u>980,591</u>
Long-term liabilities	
Bond anticipation loan	1,701,000
Total Long-term Liabilities	<u>1,701,000</u>
TOTAL LIABILITIES	<u>2,750,591</u>
FUND EQUITY	
Contributed Capital	
Municipality	12,474
Sewerage Assessment Fund	445,180
State Grant	150,000
Federal Grant	158,350
Total Contributed Capital	<u>766,004</u>
Retained Earnings	
Reserved for long-term debt	2,567
Unreserved	
Undesignated	177,204
Total Retained Earnings	<u>179,771</u>
TOTAL FUND EQUITY	<u>945,775</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,696,366</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

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TOWN OF LOCKPORT, LOUISIANA

ANNUAL FINANCIAL REPORT

June 30, 1996

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

Release Date ~~NOV 20 1996~~

ANN T. HEBERT, C.P.A.

901 RIDGEFIELD ROAD
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(504) 446-0994

TOWN OF LOCKPORT

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
OPERATING SERVICES			
Charges for services -			
Water sales	\$ 137,011	\$ -	\$ 137,011
Sewer fees	-	164,632	164,632
Delinquent charges	3,808	4,576	8,384
Miscellaneous	3,192	1,103	4,295
TOTAL OPERATING REVENUES	144,011	170,311	314,322
OPERATING EXPENSES:			
Water department expenses	117,038	-	117,038
Sewer department expenses	-	31,811	31,811
General and administrative	23,271	23,272	46,543
Depreciation expense	15,078	24,048	39,126
TOTAL OPERATING EXPENSES	155,387	79,131	234,518
OPERATING INCOME (LOSS)	(11,376)	91,180	79,804
NONOPERATING REVENUES (EXPENSES):			
Interest earnings	2,871	12,251	15,122
TOTAL NONOPERATING REVENUES (EXPENSES)	2,871	12,251	15,122
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(8,505)	103,431	94,926
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET INCOME (LOSS)	(8,505)	103,431	94,926
Retained earnings, beginning	100,360	-	100,360
Residual Equity Transfer	(76,340)	76,340	-
Retained earnings, ending	<u>\$ 15,515</u>	<u>\$ 179,771</u>	<u>\$ 195,286</u>

The accompanying notes to financial statements are an integral part of these statements.

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INDEPENDENT AUDITOR'S REPORT

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town of Lockport, Louisiana management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Lockport, Louisiana as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in my opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Lockport, Louisiana as of June 30, 1996, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated August 28, 1996 on my considerations of the Town of Lockport's internal control structure and a report dated August 28, 1996 on its compliance with laws and regulations.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general

purpose financial statements of the Town of Lockport, Louisiana. Such information, except for the "Principal Taxpayers", and "Miscellaneous Statistics" marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Ann J. Helbert

Thibodaux, Louisiana
August 28, 1996

Ann J. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Lockport, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Town of Lockport, Louisiana for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to

be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Condition

Material transactions were not properly recorded in the Town of Lockport, Louisiana's accounting records in a timely manner.

Criteria

The Board of the Town of Lockport is responsible for the fair presentation in the financial statements of financial position and the results of operations of the Town of Lockport, Louisiana and the cash flows of its proprietary fund types in conformity with generally accepted accounting principles.

Recommendation

Professional accounting services should be consulted when problems concerning recording of accounting transactions are incurred to assure proper internal controls can be maintained over funds.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matter involving the internal control structure and its operation that I consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Town of Lockport, Louisiana for the year ended June 30, 1996.

Condition

Material transactions were not properly recorded in the accounting records underlying the general purpose financial statements.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Town of Lockport, Louisiana in a separate letter dated August 28, 1996.

This report is intended for the information of the Board of Aldermen, management, Louisiana Department of Environmental Quality and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996

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TOWN OF LOCKPORT, LOUISIANA

ANNUAL FINANCIAL REPORT

June 30, 1996

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Release Date ~~NOV 20 1996~~

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TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996

	1996
OPERATING REVENUES	
Charges for services	
Water sales	\$ 137,011
Delinquent charges	3,808
Meter connection fees	1,305
Water service fees	1,150
Other	737
TOTAL OPERATING REVENUES	144,011
OPERATING EXPENSES	
General and administrative	
Salaries	
Administrative	13,527
Meter reader	1,695
Retirement	1,020
Utilities, phone and postage	1,675
Stationary, printing & office expense	182
Legal and auditing	2,090
Insurance	1,763
Payroll expense	169
Rent expense	900
Bank charges	235
Other expense	15
Total General and administrative	23,271

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996
(Continued)

	<u>1996</u>
Sewer department	
Salaries	
Plant operator	\$ 1,203
Plant maintenance	3,516
Line maintenance	2,808
Retirement	826
Utilities, phone and postage	7,462
Insurance	1,094
Vehicle expense	53
Chemicals	7,726
NPDES permit	1,586
Plant maintenance	124
Sewerline maintenance	779
Equipment maintenance	3,141
Engineering fees	288
Other expense	<u>1,205</u>
 Total Sewer department	 <u>31,811</u>
 Depreciation	
Sewer plant	12,024
Sewerlines	<u>12,024</u>
 Total Depreciation	 <u>24,048</u>
 TOTAL OPERATING EXPENSES	 <u>79,131</u>
 OPERATING INCOME	 <u>91,180</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Sales tax collections	\$ 145,260	\$ 149,229	\$ 3,969
Interest income	4,400	5,121	721
TOTAL REVENUES	<u>149,660</u>	<u>154,350</u>	<u>4,690</u>
EXPENDITURES			
General and administrative			
Rent expense	1,800	1,800	-
Bank charges	-	25	(25)
Collection fee	7,500	7,480	20
Capital outlays	-	-	-
TOTAL EXPENDITURES	<u>9,300</u>	<u>9,305</u>	<u>(5)</u>
Excess (deficiency) of revenues over expenditures	<u>140,360</u>	<u>145,045</u>	<u>4,685</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out):			
General Fund	(74,335)	(70,500)	3,835
Debt Service Fund	(68,033)	(70,383)	(2,350)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(142,368)</u>	<u>(140,883)</u>	<u>1,485</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(2,008)</u>	<u>4,162</u>	<u>6,170</u>
Fund Balances at beginning of year	<u>209,421</u>	<u>209,421</u>	<u>-</u>
Fund Balances at end of year	<u>\$ 207,413</u>	<u>\$ 213,583</u>	<u>\$ 6,170</u>

The accompanying notes to financial statements are an integral part of these statements.

management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- A. Activity cycles
 - Revenues/receipts.
 - Purchases/disbursements
 - Payroll/personnel
- B. Financial statement captions
 - Cash and cash equivalents.
 - Receivables.
 - Property and equipment.
 - Payables and accrued liabilities
 - Debt.
 - Fund balance.
- C. Accounting applications
 - Billings
 - Receivables.
 - Purchasing
 - Accounts disbursements.
 - Payroll.
 - Property and equipment.
 - General ledger.
- D. General requirements
 - Political Activity.
 - Davis-Bacon Act.
 - Civil rights.
 - Cash management.
 - Federal financial reports.
 - Allowable costs/cost principles.
 - Drug-free Workplace Act.
 - Administrative requirements.
- E. Specific requirements
 - Types of services.
 - Eligibility.
 - Matching, level-of-effort, or earmarking.
 - Reporting.
 - Cost allocation.
 - Special requirements, if any.
- F. Claims for advances and reimbursements
- G. Amounts claimed or used for matching

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, Town of Lockport, Louisiana, expended 100 percent of its total federal financial assistance under the major federal financial assistance program.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered

relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Town of Lockport, Louisiana's major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect Town of Lockport, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Condition

Material transactions were not properly recorded in the Town of Lockport, Louisiana's accounting records in a timely manner.

Criteria

The Board of the Town of Lockport, Louisiana, is responsible for the fair presentation in the financial statements of financial position and the results of operations of the Town of Lockport, Louisiana and the cash flows of its proprietary fund types in conformity with generally accepted accounting principles.

Recommendation

Professional accounting services should be consulted when problem accounting transactions are incurred to assure proper internal controls can be maintained over funds.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matter involving the internal control structure and its operation that I consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the compliance of Town of Lockport, Louisiana, with requirements applicable to its major federal financial assistance program for the year ended June 30 1996, and this report does not affect my report thereon dated August 28, 1996.

Condition

Material transactions were not properly recorded in the Town of Lockport, Louisiana's accounting records in a timely manner.

Effect

Control over receipts and disbursements is reduced when the accounting records are not complete.

Cause

Transactions occurring from the authorizing of new funds and accounts by a loan and pledge agreement with the Louisiana Department of Environmental Quality were unusual in nature and required professional guidance not made available to the administration.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of Town of Lockport, Louisiana, in a separate letter dated August 28, 1996.

This report is intended for the information of the Board of Aldermen, management, Louisiana Department of Environmental Quality, and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996

Ann J. Hebert

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996.

I have applied procedures to test Town of Lockport, Louisiana's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act, and administrative requirements.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Town of Lockport, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Town of Lockport, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Board of Aldermen, management, Louisiana Department of Environmental Quality, and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996



requirements governing types of services allowed or unallowed, eligibility; matching, level of effort, or earmarking; reporting; and provisions and requirements of Louisiana Department of Environmental Quality Loan and Pledge Agreement No. CS-221118-01; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

This report is intended for the information of the Board of Aldermen, management, Louisiana Department of Environmental Quality, and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996

TOWN OF LOCKPORT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 1996

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Name of Program	Program or Award Amount	Cash/ Accrued or (Deferred) Revenue at July 1, 1995	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cash/ Accrued or (Deferred) Revenue at June 30, 1996
Environmental Protection Agency Passed-Through Louisiana Department of Environmental Quality	66.458	Capitalization Grants for State Revolving Funds	\$ 1,416,000	-	\$ 1,416,000	\$ 1,416,000	\$ -

TOWN OF LOCKPORT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1996

Program	Population Size		Items Tested		Items Not in Compliance		Questioned Costs
	Number	Dollar Amount	Number	Dollar Amount	Number	Dollar Amount	

Capitalization Grants for State Revolving Funds	-	-	-	-	-	-	-
<p><u>Condition and Criteria</u> Louisiana Department of Environmental Quality Loan and Pledge Agreement No. CS-221118-01 required five funds and/or accounts be established to account for sewer revenue; payment of principle and interest; and repairs and maintenance. On June 30, 1996 only three of the five required accounts were established.</p>							

Effect

On June 30, 1996 this immaterial noncompliance had no effect.

Cause

Personnel unable to determine which funds and/or accounts required.

Auditor's Recommendation

All required funds and/or accounts should be established.

Ann J. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

(504) 446-0994

RECEIVED
LEGISLATIVE AUDITOR
96 NOV -7 AM 8:50

August 28, 1996

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana 70374

I have audited the general purpose financial statements of the Town of Lockport, Louisiana as of June 30, 1996, and for the twelve months then ended, and have issued my report thereon dated August 28, 1996.

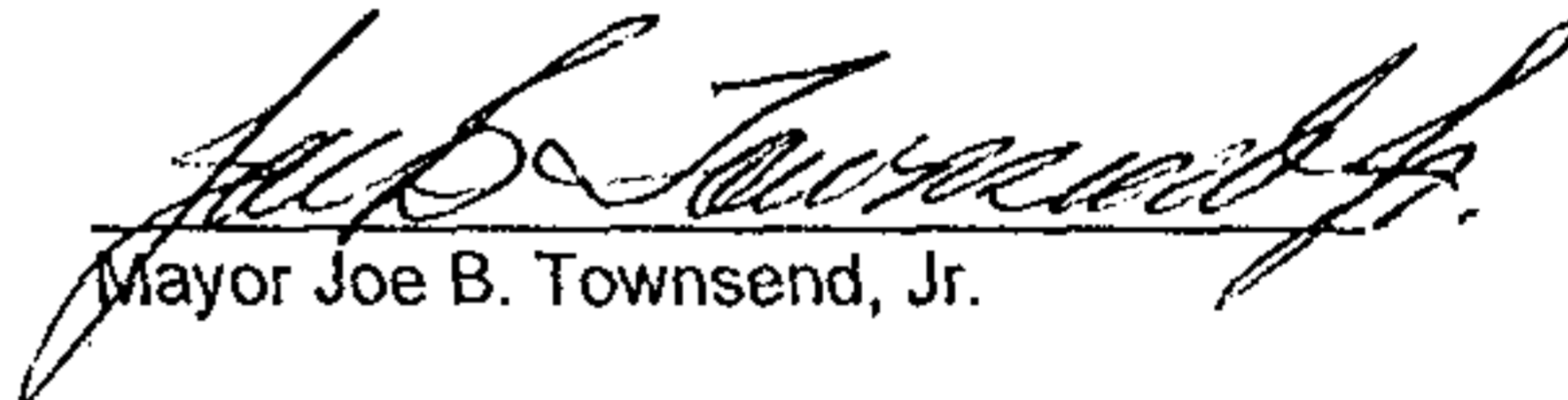
In connection with my audit of the financial statements, the following items were noted which I would like to bring to your attention:

1. Loan and pledge agreement No. CS-221118-01

- A. Requires you establish and maintain five funds and/or accounts.
On June 30, 1996, two of the five accounts were not established.

Recommend you establish and maintain all required funds and/or accounts immediately.

Response: All five required funds and/or accounts will be established and maintained.


Mayor Joe B. Townsend, Jr.

- B. Sewer System User Fee requirement, Section 4.2

Recommend annually you review and prepare a report of the User Fees required by Section 4.2 of the agreement and maintain copy in files at all times.

Response: User Fee Reports will be prepared and kept on file at all times.

- C. Upon acceptance of the new sewer system facility from the contractor the Town of Lockport will maintain or cause to be maintained in force insurance policies with responsible insurers or self insurance programs providing against risk of direct physical loss, damage or destruction of the System at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining wastewater treatment system facilities of the nature of the Town of Lockport's System, including liability coverage, all to the extent available at reasonable cost.

Recommend the administration begin inquiries for the insurance coverage required at the end of construction of the new sewer system facility estimated to be December 1, 1996.

TOWN OF LOCKPORT
WATER SYSTEM ENTERPRISE FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Current Assets	
Cash	
Bank Operating Account	\$ 46,784
Capital Additions Fund	8,697
Meter Deposit Fund	4,378
Petty cash	200
NSF checks	332
Receivables	
Water	13,413
Penalties	1,230
Sales tax	756
Accrued interest	338
Prepaid expenses	647
	76,775
Total Current Assets	76,775
Restricted Assets	
Customers' meter deposits	
Meter Deposit Fund	4,580
Certificate of deposit	35,000
	39,580
Total Restricted Assets	39,580
Fixed Assets	
Property, plant and equipment	
Land	10,000
Water Works system cost	645,546
Office equipment	777
Accumulated depreciation	(480,907)
	175,416
Total Fixed Assets	175,416
Other Assets	
Commercial deposits	5
	5
Total Other Assets	5
TOTAL ASSETS	\$ 291,776

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
SALES TAX FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Cash	\$ 199,830
Receivable - accrued interest	247
Due from other governments	12,925
Due from other funds	582
Prepaid expenses	150
TOTAL ASSETS	\$ 213,734
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 151
TOTAL LIABILITIES	151
 FUND BALANCE	
Unreserved	
Designated	80,000
Undesignated	133,583
TOTAL FUND BALANCE	213,583
TOTAL LIABILITIES AND FUND BALANCE	\$ 213,734

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
 Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
Cash flows from operating activities:			
Operating flows from operating activities	\$ (11,376)	\$ 91,180	\$ 79,804
Adjusting to reconcile net income to net cash provided by operating activities			
Depreciation	15,078	24,048	39,126
(Increase) decrease in:			
Accounts receivable	20,586	(978,762)	(958,176)
Due from other funds	-	-	-
Prepaid expenses	1,260	-	1,260
Increase (decrease) in:			
Accounts payable	5,458	-	5,458
Accrued liabilities	3,001	4,906	7,907
Due to other funds	78	-	78
Contracts payable	(104,906)	975,685	870,779
Bond anticipation loan	-	69,000	69,000
Net cash provided (used) by operating activities	(70,821)	186,057	115,236
Cash flows from noncapital financing activities:			
Residual equity transfer in (out)	(287,981)	287,981	-
Net cash provided (used) by noncapital financing activities	(287,981)	287,981	-
Cash flows from investing activities:			
Interest on investments	2,871	12,252	15,123
Sewer plant construction	-	(809,535)	(809,535)
Net cash provided (used) by investing activities	2,871	(797,283)	(794,412)
Cash flows from capital and related financing activities:			
Capital Grant - State of Louisiana	96,050	-	96,050
Bond anticipation loan	-	815,202	815,202
Net cash provided (used) by capital and related financing activities	96,050	815,202	911,252
Net increase (decrease) in cash	(259,881)	491,957	232,076
Cash and cash equivalents at beginning of year	359,520	-	359,520
Cash and cash equivalents at end of year	\$ 99,639	\$ 491,957	\$ 591,596

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
BUILDING MAINTENANCE FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Cash	<u>\$8,543</u>
TOTAL ASSETS	<u>\$8,543</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$1,562</u>
TOTAL LIABILITIES	<u>1,562</u>
FUND BALANCE	
Unreserved	
Undesignated	<u>6,981</u>
TOTAL FUND BALANCE	<u>6,981</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$8,543</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUND
BUILDING MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Leases	\$ 21,000	\$ 23,790	\$ 2,790
Interest Income	200	-	(200)
TOTAL REVENUES	<u>21,200</u>	<u>23,790</u>	<u>2,590</u>
EXPENDITURES			
Town hall complex			
Utilities	9,000	9,334	(334)
Insurance	5,000	3,630	1,370
Maintenance and supplies	4,000	3,977	23
Other expenses	500	68	432
TOTAL EXPENDITURES	<u>18,500</u>	<u>17,009</u>	<u>1,491</u>
Excess (deficiency) of revenues over expenditures	<u>2,700</u>	<u>6,781</u>	<u>4,081</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers in (out):			
General Fund	-	200	200
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>200</u>	<u>200</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>2,700</u>	<u>6,981</u>	<u>4,281</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,700</u>	<u>\$ 6,981</u>	<u>\$ 4,281</u>

The accompanying notes to financial statements are an integral part of these statements.

DEBT SERVICE FUND

Certificate of Indebtedness 12/01/87 -To accumulate monies for payment of 1987 \$200,000 Certificate of Indebtedness, which are certificates due in annual installments, plus interest, through maturity in 1997. Debt service is financed from proceeds of the Town's 1% sales and use tax.

TOWN OF LOCKPORT
DEBT SERVICE FUND
CERTIFICATE OF INDEBTEDNESS 12/01/87

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Cash	\$ -
TOTAL ASSETS	\$ -
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Due to other funds	\$ -
TOTAL LIABILITIES	-
FUND BALANCE	
Unreserved	
Designated	-
TOTAL FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
DEBT SERVICE FUND
CERTIFICATE OF INDEBTEDNESS 12/01/87

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Interest income	\$ 120	\$ 120	\$ -
TOTAL REVENUES	120	120	-
EXPENDITURES			
Principal retirement	80,000	80,000	-
Interest expense	3,587	3,588	(1)
Paying agent fees	800	800	-
Other expense	12	12	-
TOTAL EXPENDITURES	84,399	84,400	(1)
Excess (deficiency) of revenues over expenditures	(84,279)	(84,280)	(1)
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out):			
Sales Tax Fund	70,382	70,383	1
TOTAL OTHER FINANCING SOURCES (USES)	70,382	70,383	1
Excess (deficiency) of revenues over expenditures and other sources (uses)	(13,897)	(13,897)	-
Fund Balance at beginning of year	13,897	13,897	-
Fund Balance at end of year	\$ -	\$ -	\$ -

The accompanying notes to financial statements are an integral part of these statements.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Water System Fund - To account for the provision of water service to residents of the Town. All activities necessary to provide such service is accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewer System Fund - To account for the provision of sewer service to residents of the Town. All activities necessary to provide such service is accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF LOCKPORT
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS

COMBINED BALANCE SHEET

June 30, 1996

	Enterprise Fund Types		Totals <small>(Memorandum Only)</small>
	Water System Fund	Sewer System Fund	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 60,391	\$ 463,597	\$ 523,988
Receivables	15,737	23,964	39,701
Prepaid expenses	647	-	647
Total Current Assets	76,775	487,561	564,336
Restricted Assets			
Cash and cash equivalents	39,580	28,360	67,940
Receivables	-	954,798	954,798
Total Restricted Assets	39,580	983,158	1,022,738
Fixed Assets			
Property, plant and equipment			
Land	10,000	-	10,000
Sewer system cost	-	1,003,279	1,003,279
Water Works system cost	645,546	-	645,546
Office equipment	777	-	777
Construction-in-progress (Engineering fees)	-	1,948,677	1,948,677
Accumulated depreciation	(480,907)	(726,309)	(1,207,216)
Total Fixed Assets	175,416	2,225,647	2,401,063
Other Assets			
Commercial deposits	5	-	5
Total Other Assets	5	-	5
TOTAL ASSETS	\$ 291,776	\$ 3,696,366	\$ 3,988,142

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS

COMBINED BALANCE SHEET
 June 30, 1996
 (Continued)

	Enterprise Fund Types		Totals
	Water System Fund	Sewer System Fund	(Memorandum Only)
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Current Liabilities (from Current Assets)			
Accounts payable	\$ 16,800	\$ -	\$ 16,800
Due to other funds	7,238	-	7,238
Bond anticipation loan	-	69,000	69,000
Total Current Liabilities (from Current Assets)	<u>24,038</u>	<u>69,000</u>	<u>93,038</u>
Current Liabilities (from Restricted Assets)			
Customer's meter deposits	39,580	-	39,580
Contracts payable	-	975,685	975,685
Accrued interest payable	-	4,906	4,906
Total Current Liabilities (from Restricted Assets)	<u>39,580</u>	<u>980,591</u>	<u>1,020,171</u>
Long-term liabilities			
Bond anticipation loan	-	1,701,000	1,701,000
Total Long-term Liabilities	<u>-</u>	<u>1,701,000</u>	<u>1,701,000</u>
TOTAL LIABILITIES	<u>63,618</u>	<u>2,750,591</u>	<u>2,814,209</u>
FUND EQUITY			
Contributed Capital			
Municipality	103,893	12,474	116,367
Sales Tax Bond Issue	108,750	-	108,750
Sewerage Assessment Fund	-	445,180	445,180
State Grant	-	150,000	150,000
Federal Grant	-	158,350	158,350
Total Contributed Capital	<u>212,643</u>	<u>766,004</u>	<u>978,647</u>
Retained Earnings			
Reserved	-	2,567	2,567
Unreserved			
Designated	-	-	-
Undesignated	15,515	177,204	192,719
Total Retained Earnings	<u>15,515</u>	<u>179,771</u>	<u>195,286</u>
TOTAL FUND EQUITY	<u>228,158</u>	<u>945,775</u>	<u>1,173,933</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 291,776</u>	<u>\$ 3,696,366</u>	<u>\$ 3,988,142</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS

	1996
OPERATING REVENUES	
Charges for services	
Sewer fees	\$ 164,632
Sewer charges	1,103
Delinquent charges	4,576
TOTAL OPERATING REVENUES	170,311
OPERATING EXPENSES	
General and administrative	
Salaries	
Administrative	13,527
Meter reader	1,695
Retirement	1,020
Utilities, phone and postage	1,675
Stationary, printing & office expense	182
Legal and auditing	2,090
Insurance	1,763
Payroll expense	169
Rent expense	900
Bank charges	236
Other expense	15
Total General and administrative	23,272

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

Response: We are presently requesting bids for the required insurance coverage.

- D. The Town of Lockport shall prepare or shall have the Engineer prepare within one hundred eighty (180) days after the close of each Fiscal Year a comprehensive operating report, which shall contain therein or be accompanied by a certified copy of the audit of the preceding Fiscal Year's business prepared by the Town of Lockport's accountants and in addition thereto shall report upon the operation of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the property, the proper and adequate keeping of books of account and record, the adherence to budget and budgetary control provisions, all matters bearing upon the sufficient and profitable operation of the System, and shall include whatever criticism of any phase of the operation of the System of the Town of Lockport or the Engineer, as the case may be, may deem proper and such recommendation as to changes in the operation and the making of repairs, renewals, replacements, extensions, betterments and improvements as the Town of Lockport or Engineer may deem proper. Copies of such report shall be furnished to the Department upon written request.

Recommend required operating report and annual audit be prepared and performed as required and maintained in files.

Response: The operating report and annual audit of the Town of Lockport will be prepared and performed and maintained in files.

- E. No expenditure for the operation, maintenance and repair of the System in excess of the amounts stated in the annual budget of the Town of Lockport shall be made in any Fiscal Year, except upon a certificate furnished to the Louisiana Department of Environmental Quality of an Authorized Officer of the Town of Lockport or the Engineer, that such expenditures are necessary and essential to the continued operation of the System.

Recommend Town of Lockport's Sewer System Fund budget not be exceeded without notifying Louisiana Department of Environmental Quality in writing.

Response: We will notify Louisiana Department of Environmental Quality in writing of any changes to the Town of Lockport's Sewer System Fund budget.

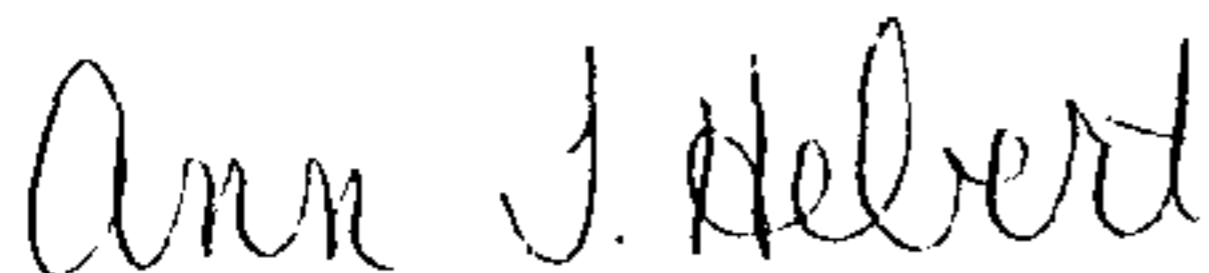
2. In-coming and out-going correspondence of the Town of Lockport should be maintained in a manner that insures completeness and availability.

Recommend the Town of Lockport maintain master in-coming and out-going correspondence files.

Response: In-coming and out-going correspondence master files will be maintained.

Ramona and I would like to thank Mayor Joe Townsend and his staff, Ed, Dianne and Sharon and the entire Board for the excellent cooperation extended to us during our examination. I will be glad to answer any questions concerning the above and work with you toward their implementation.

Cordially yours,



Ann T. Hebert
Certified Public Accountant

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in a special purpose fund.

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE C - RECEIVABLES - Continued

Other receivables

	General Fund	Special Revenue Funds	Proprietary Enterprise Funds	Total
Franchise Tax	\$ 10,595	\$ -	\$ -	\$ 10,595
Internal Revenue Service	1,446	-	-	1,446
Accrued Interest	-	247	3,925	4,172
Accounts Receivable	-	-	35,776	35,776
	<u>\$ 12,041</u>	<u>\$ 247</u>	<u>\$ 39,701</u>	<u>\$ 51,989</u>

NOTE D - INTERFUND RECEIVABLES, PAYABLES -

Individual fund interfund receivable and payable balances at June 30, 1996, were as follows:

Fund	<u>Interfund Receivable</u>	<u>Interfund Payables</u>
General Fund	\$6,656	\$ -
Special Revenue Fund:		
Sales Tax Fund	582	-
Enterprise Fund:		
Water System Fund	-	7,238
	<u>\$7,238</u>	<u>\$ 7,238</u>

NOTE E - DUE FROM OTHER GOVERNMENTAL UNITS -

Amounts due from other governmental units at June 30, 1996, consisted of the following:

	<u>Governmental Funds</u>	
State of Louisiana		
Department of Transportation	\$ 1,225	Maintenance Agreement
Department of Treasury	1,996	Parish Transportation
		Program
Department of Treasury	11,939	Shared Taxes
Lafourche Parish Council	405	Off-track Betting
Lafourche Parish School Board	12,925	Sales Tax
	<u>\$ 28,490</u>	

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE F - RESTRICTED ASSETS -

Certain assets of the enterprise funds are classified as restricted assets because their use is limited. Restricted assets were applicable to the following at June 30, 1996:

	Enterprise Funds	
	Water System Fund	Sewer System Fund
Restricted Cash and cash equivalents:		
Customers' meter deposit	\$ 39,580	\$ -
Revenue and Operating Fund	-	976
Sewer Revenue Bond Sinking Fund	-	5,156
Project Construction Fund	-	22,228
	<u>\$ 39,580</u>	<u>\$ 28,360</u>
Restricted Receivable:		
Louisiana Department of Environmental Quality	\$ -	\$ 954,798
Total restricted receivable	<u>\$ -</u>	<u>\$ 954,798</u>

NOTE G - CHANGES IN GENERAL FIXED ASSETS -

A summary of changes in general fixed assets (Note A3) as follows:

	Balance June 30, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 34,500	\$ 143,095	\$ -	\$ 177,595
Buildings	730,129	-	-	730,129
Traffic system	76,607	-	-	76,607
Office equipment and furniture	95,606	-	3,431	92,175
Automobiles and trucks	74,926	3,075	15,997	62,004
Drainage system pumping unit	77,538	-	-	77,538
Other equipment	93,501	2,400	757	95,144
Comeaux ditch drainage project	149,960	-	-	149,960
Drainage system - general	232,383	-	-	232,383
Timber bulkhead	210,837	-	-	210,837
	<u>\$ 1,775,987</u>	<u>\$ 148,570</u>	<u>\$ 20,185</u>	<u>\$ 1,904,372</u>

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE H - PROPRIETARY FUNDS - PROPERTY, PLANT AND EQUIPMENT -

A summary of property, plant and equipment at June 30, 1996, follows:

	Water System Fund	Sewer System Fund
Land	\$ 10,000	\$ -
Water Works System	645,546	-
Sewer System	-	1,003,279
Office Equipment	777	-
Construction-in-Progress	-	1,948,677
	656,323	2,951,956
Less accumulated depreciation	(480,907)	(726,309)
	\$ 175,416	\$ 2,225,647
Depreciation expense for the period ending June 30, 1996 was:	\$ 15,078	\$ 24,048

NOTE I - CHANGES IN LONG-TERM DEBT -

Governmental Funds

The following is a summary of bond transactions of the Town for the year ended June 30, 1996 (in thousands of dollars):

Bonds and notes payable at July 1, 1995	\$ 80
Bonds and notes added	-
Bonds and notes retired	80
	-
Bonds and notes payable at June 30, 1996	\$ -

Bonds extinguished at June 30, 1996, are comprised of the following individual issues (in thousands of dollars):

General obligation bonds:

\$200,000 Certificate of Indebtedness - Series 1987, dated 12/01/87,
 due in annual installments of \$15,000 to \$30,000 through December 1,
 1997.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE I - CHANGES IN LONG-TERM DEBT - Continued

Proprietary Funds

Bond Anticipation Loan

As evidence of the Town of Lockport's obligation to pay principal, interest and administrative fees in connection with a State of Louisiana, Department of Environmental Quality, Municipal Facilities Revolving Loan dated November 1, 1995, the Town has issued and delivered to the Department of Environmental Quality a single fully registered revenue bond without coupons, in the amount of \$1,850,000, which is numbered R-1. The revenue bond shall be payable as follows:

- a. During the Interim Loan Period (November 1, 1995 to December 1, 1996) interest shall be payable semiannually in arrears on June 30 and December 31 on the Loan proceeds theretofore disbursed at 2.45% interest and .50% administrative fee per annum.

At June 30, 1996, funds in the amount of \$1,159,315 were disbursed from the Department of Environmental Quality. Interest paid was \$476, accrued interest payable was \$4,074 and accrued administrative fee payable was \$831.

- b. Promptly after the date of the Final Loan Installment and verification by the Department of Environmental Quality of the Permanent Loan Amount, but in no event later than the 180th day succeeding the Completion Date (December 1, 1996) the Town of Lockport will execute a certificate setting forth the Permanent Loan Amount and, upon the execution of said certificate, which must be approved by the Department of Environmental Quality, the revenue bonds shall be appropriately marked and as so marked shall evidence the Permanent Loan Amount. At June 30, 1996, the permanent loan amount is anticipated to be \$1,770,000. \$1,701,000 of the loan is excluded from current liabilities and reported as a noncurrent liability. \$69,000 is reported as current liability for principal payment on March 1, 1997.

The annual requirements to amortize all debt outstanding will be determined on the closing date of the permanent loan.

NOTE J - DEDICATION OF PROCEEDS OF SPECIAL REVENUE FUNDS -

Sales Tax Fund

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

1. Constructing, acquiring, extending and/or improving:
 - Sewers and sewerage disposal works
 - Water works facilities
 - Drainage facilities
 - Streets (including sidewalks and street lighting facilities)
 - Public parks
 - Fire department and police stations and equipment

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE J - DEDICATION OF PROCEEDS OF SPECIAL REVENUE FUNDS - Continued

Purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public.

2. Constructing, acquiring, improving, operating and maintaining solid waste collection and disposal facilities, including purchasing and acquiring the necessary land, equipment and furnishings therefore, title to which shall be in the public, or for any one or more said purposes.
3. Paying principal and interest on any bonded debt or funded indebtedness of said purposes.
4. Thirty percent of the proceeds of the tax shall be used for any lawful corporate purpose of the Town; or for any one or more of said purposes; and further, the Town is authorized to fund the proceeds of the tax into bonds for any one or more of said purposes, to the extent and in the manner provided by Sub-Part F, Part III, Chapter 4, Title 30 of the Louisiana Revised Statutes of 1950, as amended.

Building Maintenance Fund

Notwithstanding any other ordinance to the contrary, revenue which accumulate in this fund shall be used solely for and are hereby dedicated for the payment of operating expenses and capital expenditures incurred directly for the preservation and operation of the physical plant of the Town Hall Complex.

NOTE K - PENSION PLANS -

1. Employee Pension Plans (Other than Policemen)

All employees of the Town, with the exception of policemen, are members of the state's Municipal Employees' Retirement System (Plan A), a cost sharing multiple-employer retirement system (PERS). The System is a statewide public retirement system for the benefit of municipal employees, which is administered and controlled by a separate board of trustees. The System was organized under constitutional and/or statutory provisions of state law which has provided for the method of funding and benefit privileges.

Generally all full-time employees are eligible to participate in the System, provided they meet the statutory criteria of age, physical condition and are not members of any other fund financed wholly or partly by public funds for the retirement of employees by the state or by a city, parish, village or other political subdivision in the state of Louisiana. Benefits vest with ten years of service. Any member is eligible to retire if he has at least thirty years of creditable service, regardless of age; or twenty-five years of creditable service, and is at least fifty-five; or ten years of creditable service, and is at least age sixty. The monthly retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; however, elected officials receive an additional one-half percent for each year of such elective service, and any employee who was a member of the state's supplemental plan prior to October 1, 1978, has the benefit earned for service credited on the basis of one percent of final compensation plus two

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE K - PENSION PLANS - Continued

1. Employee Pension Plans (Other than Policemen) - Continued

dollars per month for each of final compensation for each year thereafter. The System also provides death and disability benefits. All benefits are established by state statute.

Employees are required by state statute to contribute nine and one-fourth percent of gross salary, to which the Town contributes six and three-fourth's percent as an employer's match. The Town's contribution to the System for the year ended June 30, 1996, was \$21,989 of which \$9,276 was contributed by the Town. The Town's total payroll in fiscal year 1996 was \$159,327, and the Town's contributions were based on a payroll of \$137,434. There were no related party transactions.

The pension benefit obligation, which is the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases and any step rate benefits estimated to be payable in the future as a result of employee service to date. The pension benefit obligation at June 30, 1995, for the System (Plan A), determined through actuarial valuation (Attained Age Normal Method) performed as of that date, was \$321,901,732. The System's net assets available for benefits on that date were \$276,390,971, leaving an unfunded pension benefit obligation of \$45,510,761. When compared to the prior fiscal year, the unfunded actuarial accrued liability increased by \$6,234,353.

In determining actuarial costs, certain assumptions were made regarding future experience under the plan. These assumptions include the rate of investment return and the rate of salary increase. The rate used in the valuation at June 30, 1995, was eight percent.

Historical trend information designed to provide information about the Systems' progress made in accumulating sufficient assets to pay benefits is presented in the separately issued PERS annual report of June 30, 1995.

2. Policemen

All policemen of the Town are members of the state's Municipal Police Employees' Retirement System, a cost-sharing multiple-employer retirement system (PERS). The System is a statewide public retirement system for the benefit of full-time police officers, which is administered and controlled by a separate board of trustees. The system was organized under constitutional and/or statutory provisions of state law which has provided for the method of funding and benefit privileges. Any full-time police officer, empowered to make arrests, employed by the Town and earning at least \$375 per month excluding state supplemental pay, or an elected chief of Police whose salary is at least \$100 per month are eligible to participate in the System. Policemen hired must become members as a condition of employment unless covered under the federal Social Security program by the municipality. Benefits vest after one year as member of the System; or before attaining age fifty with twenty years of creditable service; or after one year as member of the System before attaining age fifty-five with twelve years of creditable service. At retirement age, members are entitled to three and one-third percent of average final compensation times years of creditable service. Average salary is determined based on the member's highest average salary, including state supplemental pay, but excluding overtime pay, for any

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE K - PENSION PLANS - Continued

2. Policemen - Continued

consecutive thirty-six months of service. The System also provides death and disability benefits. All benefits are established by state statute.

Members are required by state statute to contribute seven and one-half percent of earnable compensation (over thirty years of service, no contribution is required). The Town currently contributes nine percent as an employer's match. The Town's contribution to the System for year ended June 30, 1996, was \$13,297, of which \$7,253 was contributed by the Town. The Town's total payroll in fiscal year 1996 was \$75,182 and the Town's contributions were based on a payroll of \$68,482 plus state supplemental pay of \$12,108. There were no related party transactions.

The pension benefit obligation, which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step rate benefits estimated to be payable in the future as a result of employee service to date. The pension benefit obligation at June 30, 1995, for the System as a whole, determined through actuarial valuation (Entry Age Normal Method) performed as of that date, was \$772,983,748. The System's net assets available for benefits on that date were \$766,365,130, leaving an unfunded actuarial accrued liability of \$6,618,618. During the past fiscal year the actuarial accrued surplus decreased by \$3,640,164 and the actuarial accrued liability increased by \$6,618,618.

In determining actuarial costs, certain assumptions were made regarding future experience under the plan. These assumptions include the rate of investment return and the rate of salary increase. The rate used in the valuation at June 30, 1995, was seven percent.

Historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits is presented in the separately issued PERS annual report of June 30, 1995.

NOTE L - RESERVATIONS AND DESIGNATIONS OF FUND BALANCES -

Governmental Funds

Sales tax fund	\$ 80,000	designated for long-term debt.
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Proprietary Funds

Sewer system fund	\$ 2,567	reserved for long-term debt.
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TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE M - CONTRACTS PAYABLE -

The Town has been notified by the Department of Environmental Quality (DEQ) concerning the non-compliance of Sewer Plant discharge with required standards. By July 1, 1993, the Town was to construct a new plant or make major renovations to the existing plant. At this time, the Town is working with the DEQ and Gulf South Engineers, Inc. in an attempt to satisfy the requirements. No penalties for the violation of NPDES permit conditions have been imposed at this time.

Proprietary Fund

Gulf South Engineers, Inc.		
Contract dated August 4, 1994, for Sewer Treatment Facility Renovation in the amount of \$177,618.	\$	54,671
Cajun Contractors, Inc.		
Contract dated October 26, 1995, for Sewer Treatment Facility Renovation in the amount of \$1,649,000.		<u>921,015</u>
	<u>\$</u>	<u>975,686</u>

NOTE N - CHANGES IN CONTRIBUTED CAPITAL -

	Enterprise Funds	
	Water System Fund	Sewer System Fund
Contributed Capital at beginning of year	\$ 882,597	\$ -
State of Louisiana - Capital Grant	96,050	-
Contributed Capital Transfers		
Municipality	(12,474)	12,474
Sewerage Assessment Fund	(445,180)	445,180
State Grant	(150,000)	150,000
Federal Grant	<u>(158,350)</u>	<u>158,350</u>
Contributed Capital at end of year	<u>\$ 212,643</u>	<u>\$ 766,004</u>

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of accounting - Continued

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

5. Budgets and budgetary accounting

The Town's procedures in establishing the budgetary data reflected in the financial statements are as follows:

a. The executive budget is prepared annually for the General, Special Revenue and Debt Service Funds in accordance with the basis of accounting utilized by each fund and is submitted to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted and said appropriation ordinance is consistent with the budget.

e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures, resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. Budget amendments and emergency expenditures follow the guidelines set forth under LSA-R.S. 39:1312-13.

f. All budgetary appropriations lapse at the end of each fiscal year.

g. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. For year ending June 30, 1996, amendments were made to original budget on September 19, 1995, May 22, 1996 and June 12, 1996.

TOWN OF LOCKPORT
GENERAL FUND

BALANCE SHEET
June 30, 1996

	<u>1996</u>
ASSETS	
Cash	
Bank operating account	\$ 97,001
Bank general clearing - Premier	2,451
Bank payroll clearing	951
Bank police dept show	479
Petty cash	100
NSF checks	265
Receivables	
Ad valorem tax receivable	822
Other receivables	12,041
Due from other governments	
State shared tax receivable	11,939
Parish Transp Prog - receivable	1,996
State Maint Contr - receivable	1,225
Laf Parish Council - receivable	405
Due from other funds	6,656
Prepaid expenses	150
Meter deposits - commercial	<u>10</u>
TOTAL ASSETS	<u>\$ 136,491</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 16,188
Accrued expenses	8,510
Due to other funds	<u>-</u>
TOTAL LIABILITIES	<u>24,698</u>
 FUND BALANCE	
Unreserved	
Undesignated	111,793
TOTAL FUND BALANCE	<u>111,793</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 136,491</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Ad valorem tax			
Ad valorem tax	\$ 36,700	\$ 36,513	\$ (187)
Notice fees	525	564	39
Fines and forfeits	13,000	12,992	(8)
Interest income	1,200	1,338	138
Intergovernmental			
Grants	-	5,000	5,000
Lafourche Parish Council			
Off-track betting	1,500	1,896	396
State of Louisiana			
Beer tax	3,450	3,476	26
Parish Transportation Prog	22,500	23,602	1,102
State Maintenance Contract	2,450	2,450	-
Tobacco tax	12,700	12,714	14
Video Poker	27,000	32,210	5,210
Licenses and permits			
Franchises			
Callais Cablevision	6,660	6,876	216
Louisiana Power & Light	36,000	31,487	(4,513)
South Coast Gas	4,500	4,841	341
Occupational licenses	80,000	96,306	16,306
Building permits	400	577	177
Leases			
Boat sites	-	-	-
Louisiana Power & Light	1,200	1,200	-
Town hall complex	-	-	-
Other	16,432	16,746	314
TOTAL REVENUES	\$ 266,217	\$ 290,788	\$ 24,571

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
(GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
(Continued)

	1996		
	Budget	Actual	Variance- favorable (unfavorable)
EXPENDITURES			
<i>General and administrative</i>			
Salaries	\$ 37,383	\$ 39,353	\$ (1,970)
Accounting	1,800	1,209	591
Retirement	2,100	2,064	36
Conferences and travel	3,000	2,996	4
Utilities, phone and postage	4,000	3,605	395
Stationary, print & office exp	2,900	2,687	213
Legal and auditing	20,000	20,235	(235)
Insurance	12,500	11,181	1,319
Dues and subscriptions	2,012	2,112	(100)
Building maintenance	200	-	200
Payroll expense	3,275	3,208	67
Rent expense	1,800	1,800	-
Bank charges	375	346	29
Other expense	1,000	790	210
Capital Outlays	-	-	-
Total General and administrative	92,345	91,586	759
<i>Streets and highways</i>			
Salaries	20,500	19,019	1,481
Retirement	1,185	1,211	(26)
Utilities, phone and postage	300	240	60
Insurance	6,700	6,525	175
Vehicle expense	1,700	1,687	13
Maintenance and supplies	6,000	9,790	(3,790)
Street lights	27,000	26,395	605
Shells and blacktop	5,500	5,473	27
Other expense	600	483	117
Capital outlays	22,739	23,939	(1,200)
Total Streets and highways	92,224	94,762	(2,538)

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
(GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
(Continued)

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
Drainage			
Salaries	\$ 5,500	\$ 6,186	\$ (686)
Retirement	675	658	17
Utilities, phone and postage	600	523	77
Insurance	4,600	4,699	(99)
Vehicle expense	1,600	1,493	107
Maintenance and supplies	4,000	2,532	1,468
Other expense	5	65	(60)
Capital outlays	27,500	28,698	(1,198)
Total Drainage	44,480	44,854	(374)
Public safety - police			
Salaries	76,700	75,182	1,518
Retirement	7,300	7,255	45
Utilities, phone and postage	1,750	1,653	97
Insurance	20,000	19,249	751
Vehicle expense	10,500	8,500	2,000
Maintenance and supplies	4,000	3,963	37
Other expense	2,100	2,135	(35)
Capital outlays	-	-	-
Total Public Safety - police	122,350	117,937	4,413
Parks and recreation			
Salaries	1,750	1,497	253
Utilities, phone and postage	175	111	64
Insurance	175	129	46
Maintenance and supplies	65	116	(51)
Other expense	-	-	-
Total Parks and recreation	2,165	1,853	312

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
 (GAAP BASIS) AND ACTUAL
 Year Ended June 30, 1996
 (Continued)

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
TOTAL EXPENDITURES	\$ 353,564	\$ 350,992	\$ 2,572
Excess (deficiency) of revenues over expenditures	(87,347)	(60,204)	27,143
OTHER FINANCING SOURCES (USES)			
Operating transfers in:			
Sales Tax Fund	74,335	70,500	(3,835)
Operating transfers out:			
Building Maintenance Fund	-	(200)	(200)
TOTAL OTHER FINANCING SOURCES (USES)	74,335	70,300	(4,035)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(13,012)	10,096	23,108
Fund Balance at beginning of year	101,697	101,697	-
Fund Balance at end of year	\$ 88,685	\$ 111,793	\$ 23,108

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. The revenues derived from said sales and use tax to be dedicated and used for the purpose of constructing, acquiring, extending and/or improving sewers and sewerage disposal works, waterworks facilities, drainage facilities, streets (including sidewalks and street lighting facilities), public buildings, public parks, and fire department and police stations and equipment; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public; and for the purpose of paying principal and interest on any bonded debt or funded indebtedness of said Town, or for any one or more of said purposes; and such tax to be subject to funding into bonds by said Town in the manner authorized by Sub-Part D, Part I, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:2271, et seq.).

Authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on May 4, 1985, for the purpose of constructing, acquiring, improving, operating and maintaining solid waste collection and disposal facilities, including purchasing and acquiring the necessary land, equipment and furnishings therefor, title to which shall be in the public, or for any one or more of said purposes.

Further authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on April 11, 1992, for the use of thirty percent of the proceeds of the tax to be used for any lawful corporate purpose of the Town; or for any one or more of said purposes; and further, the Town, if authorized, to fund the proceeds of the tax into bonds for any one or more of said purposes, to the extent and in the manner provided by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended.

Building Maintenance Fund - To account for the receipt and use of proceeds from lease and/or rental of the Town Hall Complex. Notwithstanding any other ordinance to the contrary, revenue which accumulate in this fund shall be used solely for and are hereby dedicated for the payment of operating expenses and capital expenditures incurred directly for the preservation and operation of the physical plant of the Town Hall Complex.

TOWN OF LOCKPORT
SPECIAL REVENUE FUNDS

COMBINED BALANCE SHEET

June 30, 1996

	Sales Tax	Building Maintenance	Totals <small>(Memorandum Only)</small>
ASSETS			
Cash	\$ 199,830	\$ 8,543	\$ 208,373
Receivables	247	-	247
Due from other governments	12,925	-	12,925
Due from other funds	582	-	582
Prepaid expenses	150	-	150
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 213,734</u>	<u>\$ 8,543</u>	<u>\$ 222,277</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	<u>\$ 151</u>	<u>\$ 1,562</u>	<u>\$ 1,713</u>
TOTAL LIABILITIES	<u>\$ 151</u>	<u>\$ 1,562</u>	<u>\$ 1,713</u>
 FUND BALANCE			
Unreserved			
Designated	\$ 80,000	\$ -	\$ 80,000
Undesignated	133,583	6,981	140,564
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>213,583</u>	<u>6,981</u>	<u>220,564</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 213,734</u>	<u>\$ 8,543</u>	<u>\$ 222,277</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

June 30, 1996

	Sales Tax	Building Maintenance	Totals (Memorandum Only)
REVENUES:			
Sales tax collections	\$ 149,229	\$ -	\$ 149,229
Leases	-	23,790	23,790
Interest income	5,121	-	5,121
	<u>154,350</u>	<u>23,790</u>	<u>178,140</u>
TOTAL REVENUES			
EXPENDITURES:			
General and administrative	9,305	-	9,305
Town Hall Complex	-	17,009	17,009
Capital outlays	-	-	-
	<u>9,305</u>	<u>17,009</u>	<u>26,314</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	<u>145,045</u>	<u>6,781</u>	<u>151,826</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out):			
General Fund	(70,500)	200	(70,300)
Debt Service Fund	(70,383)	-	(70,383)
	<u>(140,883)</u>	<u>200</u>	<u>(140,683)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>4,162</u>	<u>6,981</u>	<u>11,143</u>
Fund Balances at beginning of year	<u>209,421</u>	<u>-</u>	<u>209,421</u>
Fund Balances at end of year	<u>\$ 213,583</u>	<u>\$ 6,981</u>	<u>\$ 220,564</u>

The accompanying notes to financial statements are an integral part of these statements.

Ann J. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

(504) 446-0994

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Lockport, Louisiana is the responsibility of the Town of Lockport, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Town of Lockport, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my test of compliance disclosed the following instances of noncompliance that may be material to the general purpose financial statements but for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Town of Lockport, Louisiana's 1996 financial statements.

Clean Water Act (33 U.S.C. . . . 1251 et seq.)

Condition

The Town did not achieve compliance with the final effluent limitations specified

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE O - GRANTS -

The following are grants received during the year ended June 30, 1996:

<u>Grantor</u>	<u>Purpose</u>	<u>Amount</u>
Louisiana Highway Commission	Inventory of all Town owned road regulatory signs for compliance with the manual on uniform traffic control devices.	\$ 5,000
State of Louisiana Capital Outlay Grant	Construction of new sewer treatment facility	\$96,050

NOTE P - CONTINGENT LIABILITIES -

The Town of Lockport is a defendant in four lawsuits. Although the outcome of these lawsuits are not presently determinable, in the opinion of the Town's attorney, the resolution of these matter will not have a material adverse effect on the financial condition of the Town.

NOTE Q - OTHER REQUIRED DISCLOSURES -

Louisiana Department of Environmental Quality Loan No. CS-221118-01

At June 30, 1996, the Sewerage Collection and Disposal System of the Town of Lockport was under construction. \$1,948,677 had been charged to construction-in-progress. Until the completion date and acceptance by the Town of Lockport, contractor carries Builder's Risk Insurance for the project.

The aggregate dollar amount billed for Sewer Services during the year ended June 30, 1996 was \$170,311 for service to an average of 1,064 customers per month resulting in an average monthly billing of \$13.33 per user. The number of users at the end of the fiscal year was 1,073.

Town of Lockport shall charge the following rates for all sewer services furnished by the System, viz:

First 2,000 gallons per month	\$5.00 per 1st 2,000 gallons
All over 2,000 gallons per month	\$1.93 per 1,000 gallons

for sewer discharges in accordance with the schedule required by the United States Environmental Protection Agency which puts the Town in violation of NPDES permit conditions. No penalties for the violation of permit conditions have been imposed at this time.

Criteria

The United States Environmental Protection Agency required the Town of Lockport to achieve compliance with final effluent limitations specified for sewer discharges by July 1, 1993.

Recommendation

Priority should be given by the Town of Lockport to complete construction of the wastewater treatment facilities scheduled for December 1, 1996.

I considered this instance of noncompliance in forming my opinion on whether the Town of Lockport, Louisiana's June 30, 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated August 28, 1996, on those general purpose financial statements.

I noted certain immaterial instances of noncompliance that I have reported to the management of the Town of Lockport, Louisiana in a separate letter dated August 28, 1996.

This report is intended for the information of the Board of Aldermen, management, Louisiana Department of Environmental Quality and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996

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TOWN OF LOCKPORT, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1996

TOWN OF LOCKPORT
SEWER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN RETAINED EARNINGS

Year Ended June 30, 1996

(Continued)

NONOPERATING REVENUES (EXPENSES)	
Interest earnings	<u>\$ 12,251</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>12,251</u>
INCOME BEFORE OPERATING TRANSFERS	<u>103,431</u>
OPERATING TRANSFERS	
Other funds	<u>-</u>
TOTAL OPERATING TRANSFERS	<u>-</u>
NET INCOME (LOSS)	<u>103,431</u>
Retained Earnings, beginning of year	-
Residual Equity Transfer - Water System Fund	<u>76,340</u>
Retained Earnings, end of year	<u>\$ 179,771</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. The revenues derived from said sales and use tax to be dedicated and used for the purpose of constructing, acquiring, extending and/or improving sewers and sewerage disposal works, waterworks facilities, drainage facilities, streets (including sidewalks and street lighting facilities), public buildings, public parks, and fire department and police stations and equipment; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public; and for the purpose of paying principal and interest on any bonded debt or funded indebtedness of said Town, or for any one or more of said purposes; and such tax to be subject to funding into bonds by said Town in the manner authorized by Sub-Part D, Part I, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:2271, et seq.).

Authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on May 4, 1985, for the purpose of constructing, acquiring, improving, operating and maintaining solid waste collection and disposal facilities, including purchasing and acquiring the necessary land, equipment and furnishings therefor, title to which shall be in the public, or for any one or more of said purposes.

Further authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on April 11, 1992, for the use of thirty percent of the proceeds of the tax to be used for any lawful corporate purpose of the Town; or for any one or more of said purposes; and further, the Town, if authorized, to fund the proceeds of the tax into bonds for any one or more of said purposes, to the extent and in the manner provided by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended.

Building Maintenance Fund - To account for the receipt and use of proceeds from lease and/or rental of the Town Hall Complex. Notwithstanding any other ordinance to the contrary, revenue which accumulate in this fund shall be used solely for and are hereby dedicated for the payment of operating expenses and capital expenditures incurred directly for the preservation and operation of the physical plant of the Town Hall Complex.

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INDEPENDENT AUDITOR'S REPORT

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town of Lockport, Louisiana management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Lockport, Louisiana as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in my opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Lockport, Louisiana as of June 30, 1996, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated August 28, 1996 on my considerations of the Town of Lockport's internal control structure and a report dated August 28, 1996 on its compliance with laws and regulations.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general

purpose financial statements of the Town of Lockport, Louisiana. Such information, except for the "Principal Taxpayers", and "Miscellaneous Statistics" marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Ann J. Helbert

Thibodaux, Louisiana
August 28, 1996

Ann J. Hebert

Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Lockport, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Town of Lockport, Louisiana for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to

be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Condition

Material transactions were not properly recorded in the Town of Lockport, Louisiana's accounting records in a timely manner.

Criteria

The Board of the Town of Lockport is responsible for the fair presentation in the financial statements of financial position and the results of operations of the Town of Lockport, Louisiana and the cash flows of its proprietary fund types in conformity with generally accepted accounting principles.

Recommendation

Professional accounting services should be consulted when problems concerning recording of accounting transactions are incurred to assure proper internal controls can be maintained over funds.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matter involving the internal control structure and its operation that I consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Town of Lockport, Louisiana for the year ended June 30, 1996.

Condition

Material transactions were not properly recorded in the accounting records underlying the general purpose financial statements.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Town of Lockport, Louisiana in a separate letter dated August 28, 1996.

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds' contributed capital represents equity acquired through capital grants and capital contributions from bond issues, or other funds.

NOTE B - CASH AND INVESTMENTS -

At June 30, 1996, the Town's cash and time deposits with financial institutions amounted to \$901,548.

Bank balance was \$904,161, which, at the balance sheet date, was insured by federal depository insurance and/or collateralized by securities held by the Town or by the Town's agent in the Town's name.

NOTE C - RECEIVABLES -

Ad valorem taxes -

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on December 1 and are due and payable at that time. All unpaid taxes levied December 1 become delinquent February 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Lafourche Parish. Town property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

For the year ended June 30, 1996, taxes of 8.26 mills were levied on property with assessed valuations totaling \$4,420,427 and were dedicated as follows:

General corporate purposes	8.26 mills
----------------------------	------------

Total taxes levied were \$36,513. Taxes receivable at June 30, 1996, consisted of the following:

Taxes receivable current roll	\$ 502
Taxes receivable prior years	214
Notice fee and penalty receivable	106
	\$ 822

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Joe B. Townsend, Jr.
and the Members of the Board of Aldermen
Lockport, Louisiana

I have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 28, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Lockport, Louisiana is the responsibility of the Town of Lockport, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Town of Lockport, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my test of compliance disclosed the following instances of noncompliance that may be material to the general purpose financial statements but for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Town of Lockport, Louisiana's 1996 financial statements.

Clean Water Act (33 U.S.C. . . . 1251 et seq.)

Condition

The Town did not achieve compliance with the final effluent limitations specified

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Cash and Cash equivalents

Cash equivalents consist of certificates of deposit. All deposits are carried at cost plus accrued interest.

Under state law the Town of Lockport, Louisiana may deposit funds in obligations of the United States, time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principle office in the state of Louisiana, and S. E. C. registered mutual or trust funds having investments solely in United States obligations.

7. Compensated Absences

Under the terms of the Town's vacation policy, no vacation time may be accumulated by employees. A maximum of 180 days sick leave may be accumulated, however, employees are not compensated for the accumulated sick leave upon retirement or other termination. Due to the non-cummulative policy on vacation days and since no vesting of sick pay is allowed under state law, no accrued liability for compensated absences has been reported.

8. Bad debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the direct charge off method. Due to immaterial amounts, establishment of an allowance account was not provided.

9. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Town.

10. Total columns on combined statements - overview

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial position, results of operations, or changes in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

11. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 1996, are recorded as prepaid items. A portion of the relevant funds' balances equal to the prepaid items may be reserved to indicate that it is not available for appropriation.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-term Debt	June 30, 1996	June 30, 1995
Enterprise				
\$ 523,988	\$ -	\$ -	\$ 833,608	\$ 633,156
39,701	-	-	52,811	49,960
-	-	-	28,490	25,610
-	-	-	7,238	10,095
647	-	-	947	2,207
-	-	-	10	10
67,940	-	-	67,940	-
954,798	-	-	954,798	36,110
-	-	-	-	-
3,608,279	-	-	3,608,279	1,912,947
(1,207,216)	-	-	(1,207,216)	(1,168,090)
-	1,904,372	-	1,904,372	1,775,987
5	-	-	5	5
-	-	-	-	13,897
-	-	-	-	66,103
<u>\$ 3,988,142</u>	<u>\$ 1,904,372</u>	<u>\$ -</u>	<u>\$ 6,251,282</u>	<u>\$ 3,357,997</u>

Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	General	June 30,	June 30,
	Fixed Assets	Long-term Debt	1996	1995
Enterprise				
\$ 16,800	\$ -	\$ -	\$ 34,701	\$ 34,180
-	-	-	8,510	8,747
-	-	-	-	104,906
7,238	-	-	7,238	10,095
69,000	-	-	69,000	-
4,906	-	-	4,906	-
39,580	-	-	39,580	36,110
975,685	-	-	975,685	-
1,701,000	-	-	1,701,000	-
-	-	-	-	80,000
<u>2,814,209</u>	<u>-</u>	<u>-</u>	<u>2,840,620</u>	<u>274,038</u>
978,647	-	-	978,647	882,597
-	1,904,372	-	1,904,372	1,775,987
2,567	-	-	2,567	-
192,719	-	-	192,719	100,360
-	-	-	80,000	13,897
-	-	-	252,357	311,118
<u>1,173,933</u>	<u>1,904,372</u>	<u>-</u>	<u>3,410,662</u>	<u>3,083,959</u>
<u>\$ 3,988,142</u>	<u>\$ 1,904,372</u>	<u>\$ -</u>	<u>\$ 6,251,282</u>	<u>\$ 3,357,997</u>

Excess (deficiency) of revenues over expenditures	<u>(60,204)</u>	<u>151,826</u>	<u>(84,280)</u>	<u>7,342</u>	<u>115,158</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)					
Sales Tax Fund	70,500	-	70,383	140,883	110,950
General Fund	-	(70,300)	-	(70,300)	82,550
Debt Service Fund	-	(70,383)	-	(70,383)	(28,400)
Building Maintenance Fund	(200)	-	-	(200)	-
TOTAL OTHER FINANCING SOURCES (USES):	<u>70,300</u>	<u>(140,683)</u>	<u>70,383</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	10,096	11,143	(13,897)	7,342	115,158
Fund Balances at beginning of year	<u>101,697</u>	<u>209,421</u>	<u>13,897</u>	<u>325,015</u>	<u>209,857</u>
Fund balances at end of year	<u>\$ 111,793</u>	<u>\$ 220,564</u>	<u>\$ -</u>	<u>\$ 332,357</u>	<u>\$ 325,015</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

Excess (deficiency) of revenues	(87,347)	(60,204)	27,143	143,060	151,826	8,766	(84,279)	(84,280)	(1)
over expenditures									

OTHER FINANCING SOURCES (USES)

Operating transfers in (out)

Sales Tax Fund	74,335	70,500	(3,835)	-	-	-	70,382	70,383	1
General Fund	-	-	-	(74,335)	(70,300)	4,035	-	-	-
Debt Service Fund	-	-	-	(68,033)	(70,383)	(2,350)	-	-	-
Building Maintenance Fund	-	(200)	(200)	-	-	-	-	-	-

TOTAL OTHER FINANCING SOURCES (USES)

	74,335	70,300	(4,035)	(142,368)	(140,683)	1,685	70,382	70,383	1
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Excess (deficiency) of revenues over expenditures and other sources (uses)

	(13,012)	10,096	23,108	692	11,143	10,451	(13,897)	(13,897)	-
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Fund Balances at beginning of year

	101,697	101,697	-	209,421	209,421	-	13,897	13,897	-
--	---------	---------	---	---------	---------	---	--------	--------	---

Fund Balances at end of year

	\$ 88,685	111,793	\$ 23,108	\$ 210,113	\$ 220,564	\$ 10,451	\$ -	\$ -	\$ -
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(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
 Year Ended June 30, 1996

	Enterprise Fund Types		Totals
	Water System Fund	Sewer System Fund	(Memorandum Only)
Cash flows from operating activities:			
Operating flows from operating activities	\$ (11,376)	\$ 91,180	\$ 79,804
Adjusting to reconcile net income to net cash provided by operating activities			
Depreciation	15,078	24,048	39,126
(Increase) decrease in:			
Accounts receivable	20,586	(978,762)	(958,176)
Due from other funds	-	-	-
Prepaid expenses	1,260	-	1,260
Increase (decrease) in:			
Accounts payable	5,458	-	5,458
Accrued liabilities	3,001	4,906	7,907
Due to other funds	78	-	78
Contracts payable	(104,906)	975,685	870,779
Bond anticipation loan	-	69,000	69,000
Net cash provided (used) by operating activities	<u>(70,821)</u>	<u>186,057</u>	<u>115,236</u>
Cash flows from noncapital financing activities:			
Residual equity transfer in (out)	<u>(287,981)</u>	<u>287,981</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(287,981)</u>	<u>287,981</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	2,871	12,252	15,123
Sewer plant construction	-	(809,535)	(809,535)
Net cash provided (used) by investing activities	<u>2,871</u>	<u>(797,283)</u>	<u>(794,412)</u>
Cash flows from capital and related financing activities:			
Capital Grant - State of Louisiana	96,050	-	96,050
Bond anticipation loan	-	815,202	815,202
Net cash provided (used) by capital and related financing activities	<u>96,050</u>	<u>815,202</u>	<u>911,252</u>
Net increase (decrease) in cash	<u>(259,881)</u>	<u>491,957</u>	<u>232,076</u>
Cash and cash equivalents at beginning of year	<u>359,520</u>	<u>-</u>	<u>359,520</u>
Cash and cash equivalents at end of year	<u>\$ 99,639</u>	<u>\$ 491,957</u>	<u>\$ 591,596</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Fund Accounting - Continued

PROPRIETARY FUND TYPES

Enterprise funds

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

3. Property, plant and equipment and long-term liabilities

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

Property, plant and equipment used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on such property, plant and equipment.

All property, plant and equipment are valued at historical cost. Donated property, plant and equipment are valued at their estimated fair value on the date donated.

The Town has adopted the accounting policy of not capitalizing "infrastructure" general fixed assets (roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the Town). The expenditures for infrastructure during the current year were \$47,162.

Interest costs for fixed-asset construction within enterprise funds are capitalized. However, all other interest costs are expressed in the debt service fund. Interest costs incurred at June 30, 1996 was, \$9,782, of which \$5,382 has been capitalized.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Property, plant and equipment and long-term liabilities - Continued

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their report fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Depreciation is provided in the enterprise fund in amounts sufficient to relate the cost of the depreciable assets, to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings	20 - 40 years
Improvements	10 - 20 years
Equipment	5 - 10 years

4. Basis of accounting

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

All governmental funds are accounted for by using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenue sources which have been treated as susceptible to accrual basis include property taxes, regularly billed charges for services provided, share taxes from other governments and franchise fees. Gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

The Town of Lockport was incorporated May 10, 1899, under the provisions of act 136 (Lawrason Act) of 1898, State of Louisiana. The Town operated under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety, highways and streets, drainage, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the Town of Lockport conform to generally accepted accounting principles. The following is a summary of certain significant accounting policies.

1. Financial reporting entity

The financial statements of the Town consist only of the funds and account groups of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered controlled by or dependent on the Town. Control by or dependence is determined on the basis of budget adoption, taxing authority, authority to issue debt and election or appointment of governing body.

2. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND TYPES

General Fund

The General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

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

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and payment of general long-term principal, interest and related cost.

This report is intended for the information of the Board of Aldermen, management, Louisiana Department of Environmental Quality and Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Ann J. Hebert

Thibodaux, Louisiana
August 28, 1996

TOWN OF LOCKPORT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
(GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
(Continued)

	1996		
	<u>Budget</u>	<u>Actual</u>	Variance- favorable (unfavorable)
TOTAL EXPENDITURES	\$ 353,564	\$ 350,992	\$ 2,572
Excess (deficiency) of revenues over expenditures	<u>(87,347)</u>	<u>(60,204)</u>	<u>27,143</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in:			
Sales Tax Fund	74,335	70,500	(3,835)
Operating transfers out:			
Building Maintenance Fund	<u>-</u>	<u>(200)</u>	<u>(200)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>74,335</u>	<u>70,300</u>	<u>(4,035)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(13,012)</u>	<u>10,096</u>	<u>23,108</u>
Fund Balance at beginning of year	<u>101,697</u>	<u>101,697</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 88,685</u>	<u>\$ 111,793</u>	<u>\$ 23,108</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
OPERATING SERVICES			
Charges for services -			
Water sales	\$ 137,011	\$ -	\$ 137,011
Sewer fees	-	164,632	164,632
Delinquent charges	3,808	4,576	8,384
Miscellaneous	3,192	1,103	4,295
TOTAL OPERATING REVENUES	144,011	170,311	314,322
OPERATING EXPENSES:			
Water department expenses	117,038	-	117,038
Sewer department expenses	-	31,811	31,811
General and administrative	23,271	23,272	46,543
Depreciation expense	15,078	24,048	39,126
TOTAL OPERATING EXPENSES	155,387	79,131	234,518
OPERATING INCOME (LOSS)	(11,376)	91,180	79,804
NONOPERATING REVENUES (EXPENSES):			
Interest earnings	2,871	12,251	15,122
TOTAL NONOPERATING REVENUES (EXPENSES)	2,871	12,251	15,122
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(8,505)	103,431	94,926
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET INCOME (LOSS)	(8,505)	103,431	94,926
Retained earnings, beginning	100,360	-	100,360
Residual Equity Transfer	(76,340)	76,340	-
Retained earnings, ending	\$ 15,515	\$ 179,771	\$ 195,286

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
GENERAL FUND

BALANCE SHEET
June 30, 1996

	1996
ASSETS	
Cash	
Bank operating account	\$ 97,001
Bank general clearing - Premier	2,451
Bank payroll clearing	951
Bank police dept show	479
Petty cash	100
NSF checks	265
Receivables	
Ad valorem tax receivable	822
Other receivables	12,041
Due from other governments	
State shared tax receivable	11,939
Parish Transp Prog - receivable	1,996
State Maint Contr - receivable	1,225
Laf Parish Council - receivable	405
Due from other funds	6,656
Prepaid expenses	150
Meter deposits - commercial	10
TOTAL ASSETS	\$ 136,491
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 16,188
Accrued expenses	8,510
Due to other funds	-
TOTAL LIABILITIES	24,698
 FUND BALANCE	
Unreserved	
Undesignated	111,793
TOTAL FUND BALANCE	111,793
TOTAL LIABILITIES AND FUND BALANCE	\$ 136,491

The accompanying notes to financial statements are an integral part of these statements.

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in a special purpose fund.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE O - GRANTS -

The following are grants received during the year ended June 30, 1996:

<u>Grantor</u>	<u>Purpose</u>	<u>Amount</u>
Louisiana Highway Commission	Inventory of all Town owned road regulatory signs for compliance with the manual on uniform traffic control devices.	\$ 5,000
State of Louisiana Capital Outlay Grant	Construction of new sewer treatment facility	\$96,050

NOTE P - CONTINGENT LIABILITIES -

The Town of Lockport is a defendant in four lawsuits. Although the outcome of these lawsuits are not presently determinable, in the opinion of the Town's attorney, the resolution of these matter will not have a material adverse effect on the financial condition of the Town.

NOTE Q - OTHER REQUIRED DISCLOSURES -

Louisiana Department of Environmental Quality Loan No. CS-221118-01

At June 30, 1996, the Sewerage Collection and Disposal System of the Town of Lockport was under construction. \$1,948,677 had been charged to construction-in-progress. Until the completion date and acceptance by the Town of Lockport, contractor carries Builder's Risk Insurance for the project.

The aggregate dollar amount billed for Sewer Services during the year ended June 30, 1996 was \$170,311 for service to an average of 1,064 customers per month resulting in an average monthly billing of \$13.33 per user. The number of users at the end of the fiscal year was 1,073.

Town of Lockport shall charge the following rates for all sewer services furnished by the System, viz:

First 2,000 gallons per month	\$5.00 per 1st 2,000 gallons
All over 2,000 gallons per month	\$1.93 per 1,000 gallons

TOWN OF LOCKPORT
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
REVENUES			
Ad valorem tax			
Ad valorem tax	\$ 36,700	\$ 36,513	\$ (187)
Notice fees	525	564	39
Fines and forfeits	13,000	12,992	(8)
Interest income	1,200	1,338	138
Intergovernmental			
Grants	-	5,000	5,000
Lafourche Parish Council			
Off-track betting	1,500	1,896	396
State of Louisiana			
Beer tax	3,450	3,476	26
Parish Transportation Prog	22,500	23,602	1,102
State Maintenance Contract	2,450	2,450	-
Tobacco tax	12,700	12,714	14
Video Poker	27,000	32,210	5,210
Licenses and permits			
Franchises			
Callais Cablevision	6,660	6,876	216
Louisiana Power & Light	36,000	31,487	(4,513)
South Coast Gas	4,500	4,841	341
Occupational licenses	80,000	96,306	16,306
Building permits	400	577	177
Leases			
Boat sites	-	-	-
Louisiana Power & Light	1,200	1,200	-
Town hall complex	-	-	-
Other	16,432	16,746	314
TOTAL REVENUES	\$ 266,217	\$ 290,788	\$ 24,571

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
(GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
(Continued)

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
EXPENDITURES			
General and administrative			
Salaries	\$ 37,383	\$ 39,353	\$ (1,970)
Accounting	1,800	1,209	591
Retirement	2,100	2,064	36
Conferences and travel	3,000	2,996	4
Utilities, phone and postage	4,000	3,605	395
Stationary, print & office exp	2,900	2,687	213
Legal and auditing	20,000	20,235	(235)
Insurance	12,500	11,181	1,319
Dues and subscriptions	2,012	2,112	(100)
Building maintenance	200	-	200
Payroll expense	3,275	3,208	67
Rent expense	1,800	1,800	-
Bank charges	375	346	29
Other expense	1,000	790	210
Capital Outlays	-	-	-
Total General and administrative	<u>92,345</u>	<u>91,586</u>	<u>759</u>
Streets and highways			
Salaries	20,500	19,019	1,481
Retirement	1,185	1,211	(26)
Utilities, phone and postage	300	240	60
Insurance	6,700	6,525	175
Vehicle expense	1,700	1,687	13
Maintenance and supplies	6,000	9,790	(3,790)
Street lights	27,000	26,395	605
Shells and blacktop	5,500	5,473	27
Other expense	600	483	117
Capital outlays	22,739	23,939	(1,200)
Total Streets and highways	<u>92,224</u>	<u>94,762</u>	<u>(2,538)</u>

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	General	June 30,	June 30,
	Fixed Assets	Long-term Debt	1996	1995
Enterprise				
\$ 523,988	\$ -	\$ -	\$ 833,608	\$ 633,156
39,701	-	-	52,811	49,960
-	-	-	28,490	25,610
-	-	-	7,238	10,095
647	-	-	947	2,207
-	-	-	10	10
67,940	-	-	67,940	-
954,798	-	-	954,798	36,110
-	-	-	-	-
3,608,279	-	-	3,608,279	1,912,947
(1,207,216)	-	-	(1,207,216)	(1,168,090)
-	1,904,372	-	1,904,372	1,775,987
5	-	-	5	5
-	-	-	-	13,897
-	-	-	-	66,103
<u>\$ 3,988,142</u>	<u>\$ 1,904,372</u>	<u>\$ -</u>	<u>\$ 6,251,282</u>	<u>\$ 3,357,997</u>

TOWN OF LOCKPORT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET
(GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
(Continued)

	1996		Variance- favorable (unfavorable)
	Budget	Actual	
Drainage			
Salaries	\$ 5,500	\$ 6,186	\$ (686)
Retirement	675	658	17
Utilities, phone and postage	600	523	77
Insurance	4,600	4,699	(99)
Vehicle expense	1,600	1,493	107
Maintenance and supplies	4,000	2,532	1,468
Other expense	5	65	(60)
Capital outlays	27,500	28,698	(1,198)
Total Drainage	44,480	44,854	(374)
Public safety - police			
Salaries	76,700	75,182	1,518
Retirement	7,300	7,255	45
Utilities, phone and postage	1,750	1,653	97
Insurance	20,000	19,249	751
Vehicle expense	10,500	8,500	2,000
Maintenance and supplies	4,000	3,963	37
Other expense	2,100	2,135	(35)
Capital outlays	-	-	-
Total Public Safety - police	122,350	117,937	4,413
Parks and recreation			
Salaries	1,750	1,497	253
Utilities, phone and postage	175	111	64
Insurance	175	129	46
Maintenance and supplies	65	116	(51)
Other expense	-	-	-
Total Parks and recreation	2,165	1,853	312

(Continued next page)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE M - CONTRACTS PAYABLE -

The Town has been notified by the Department of Environmental Quality (DEQ) concerning the non-compliance of Sewer Plant discharge with required standards. By July 1, 1993, the Town was to construct a new plant or make major renovations to the existing plant. At this time, the Town is working with the DEQ and Gulf South Engineers, Inc. in an attempt to satisfy the requirements. No penalties for the violation of NPDES permit conditions have been imposed at this time.

Proprietary Fund

Gulf South Engineers, Inc.		
Contract dated August 4, 1994, for Sewer Treatment Facility Renovation in the amount of \$177,618.	\$	54,671
Cajun Contractors, Inc.		
Contract dated October 26, 1995, for Sewer Treatment Facility Renovation in the amount of \$1,649,000.		<u>921,015</u>
	<u>\$</u>	<u>975,686</u>

NOTE N - CHANGES IN CONTRIBUTED CAPITAL -

	Enterprise Funds	
	Water System Fund	Sewer System Fund
Contributed Capital at beginning of year	\$ 882,597	\$ -
State of Louisiana - Capital Grant	96,050	-
Contributed Capital Transfers		
Municipality	(12,474)	12,474
Sewerage Assessment Fund	(445,180)	445,180
State Grant	(150,000)	150,000
Federal Grant	<u>(158,350)</u>	<u>158,350</u>
Contributed Capital at end of year	<u>\$ 212,643</u>	<u>\$ 766,004</u>

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE K - PENSION PLANS - Continued

2. Policemen - Continued

consecutive thirty-six months of service. The System also provides death and disability benefits. All benefits are established by state statute.

Members are required by state statute to contribute seven and one-half percent of earnable compensation (over thirty years of service, no contribution is required). The Town currently contributes nine percent as an employer's match. The Town's contribution to the System for year ended June 30, 1996, was \$13,297, of which \$7,253 was contributed by the Town. The Town's total payroll in fiscal year 1996 was \$75,182 and the Town's contributions were based on a payroll of \$68,482 plus state supplemental pay of \$12,108. There were no related party transactions.

The pension benefit obligation, which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step rate benefits estimated to be payable in the future as a result of employee service to date. The pension benefit obligation at June 30, 1995, for the System as a whole, determined through actuarial valuation (Entry Age Normal Method) performed as of that date, was \$772,983,748. The System's net assets available for benefits on that date were \$766,365,130, leaving an unfunded actuarial accrued liability of \$6,618,618. During the past fiscal year the actuarial accrued surplus decreased by \$3,640,164 and the actuarial accrued liability increased by \$6,618,618.

In determining actuarial costs, certain assumptions were made regarding future experience under the plan. These assumptions include the rate of investment return and the rate of salary increase. The rate used in the valuation at June 30, 1995, was seven percent.

Historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits is presented in the separately issued PERS annual report of June 30, 1995.

NOTE L - RESERVATIONS AND DESIGNATIONS OF FUND BALANCES -

Governmental Funds

Sales tax fund	\$ 80,000	designated for long-term debt.
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Proprietary Funds

Sewer system fund	\$ 2,567	reserved for long-term debt.
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TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE K - PENSION PLANS - Continued

1. Employee Pension Plans (Other than Policemen) - Continued

dollars per month for each of final compensation for each year thereafter. The System also provides death and disability benefits. All benefits are established by state statute.

Employees are required by state statute to contribute nine and one-fourth percent of gross salary, to which the Town contributes six and three-fourth's percent as an employer's match. The Town's contribution to the System for the year ended June 30, 1996, was \$21,989 of which \$9,276 was contributed by the Town. The Town's total payroll in fiscal year 1996 was \$159,327, and the Town's contributions were based on a payroll of \$137,434. There were no related party transactions.

The pension benefit obligation, which is the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases and any step rate benefits estimated to be payable in the future as a result of employee service to date. The pension benefit obligation at June 30, 1995, for the System (Plan A), determined through actuarial valuation (Attained Age Normal Method) performed as of that date, was \$321,901,732. The System's net assets available for benefits on that date were \$276,390,971, leaving an unfunded pension benefit obligation of \$45,510,761. When compared to the prior fiscal year, the unfunded actuarial accrued liability increased by \$6,234,353.

In determining actuarial costs, certain assumptions were made regarding future experience under the plan. These assumptions include the rate of investment return and the rate of salary increase. The rate used in the valuation at June 30, 1995, was eight percent.

Historical trend information designed to provide information about the Systems' progress made in accumulating sufficient assets to pay benefits is presented in the separately issued PERS annual report of June 30, 1995.

2. Policemen

All policemen of the Town are members of the state's Municipal Police Employees' Retirement System, a cost-sharing multiple-employer retirement system (PERS). The System is a statewide public retirement system for the benefit of full-time police officers, which is administered and controlled by a separate board of trustees. The system was organized under constitutional and/or statutory provisions of state law which has provided for the method of funding and benefit privileges. Any full-time police officer, empowered to make arrests, employed by the Town and earning at least \$375 per month excluding state supplemental pay, or an elected chief of Police whose salary is at least \$100 per month are eligible to participate in the System. Policemen hired must become members as a condition of employment unless covered under the federal Social Security program by the municipality. Benefits vest after one year as member of the System; or before attaining age fifty with twenty years of creditable service; or after one year as member of the System before attaining age fifty-five with twelve years of creditable service. At retirement age, members are entitled to three and one-third percent of average final compensation times years of creditable service. Average salary is determined based on the member's highest average salary, including state supplemental pay, but excluding overtime pay, for any

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE J - DEDICATION OF PROCEEDS OF SPECIAL REVENUE FUNDS - Continued

Purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public.

2. Constructing, acquiring, improving, operating and maintaining solid waste collection and disposal facilities, including purchasing and acquiring the necessary land, equipment and furnishings therefore, title to which shall be in the public, or for any one or more said purposes.
3. Paying principal and interest on any bonded debt or funded indebtedness of said purposes.
4. Thirty percent of the proceeds of the tax shall be used for any lawful corporate purpose of the Town; or for any one or more of said purposes; and further, the Town is authorized to fund the proceeds of the tax into bonds for any one or more of said purposes, to the extent and in the manner provided by Sub-Part F, Part III, Chapter 4, Title 30 of the Louisiana Revised Statutes of 1950, as amended.

Building Maintenance Fund

Notwithstanding any other ordinance to the contrary, revenue which accumulate in this fund shall be used solely for and are hereby dedicated for the payment of operating expenses and capital expenditures incurred directly for the preservation and operation of the physical plant of the Town Hall Complex.

NOTE K - PENSION PLANS -

1. Employee Pension Plans (Other than Policemen)

All employees of the Town, with the exception of policemen, are members of the state's Municipal Employees' Retirement System (Plan A), a cost sharing multiple-employer retirement system (PERS). The System is a statewide public retirement system for the benefit of municipal employees, which is administered and controlled by a separate board of trustees. The System was organized under constitutional and/or statutory provisions of state law which has provided for the method of funding and benefit privileges.

Generally all full-time employees are eligible to participate in the System, provided they meet the statutory criteria of age, physical condition and are not members of any other fund financed wholly or partly by public funds for the retirement of employees by the state or by a city, parish, village or other political subdivision in the state of Louisiana. Benefits vest with ten years of service. Any member is eligible to retire if he has at least thirty years of creditable service, regardless of age; or twenty-five years of creditable service, and is at least fifty-five; or ten years of creditable service, and is at least age sixty. The monthly retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; however, elected officials receive an additional one-half percent for each year of such elective service, and any employee who was a member of the state's supplemental plan prior to October 1, 1978, has the benefit earned for service credited on the basis of one percent of final compensation plus two

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE I - CHANGES IN LONG-TERM DEBT - Continued

Proprietary Funds

Bond Anticipation Loan

As evidence of the Town of Lockport's obligation to pay principal, interest and administrative fees in connection with a State of Louisiana, Department of Environmental Quality, Municipal Facilities Revolving Loan dated November 1, 1995, the Town has issued and delivered to the Department of Environmental Quality a single fully registered revenue bond without coupons, in the amount of \$1,850,000, which is numbered R-1. The revenue bond shall be payable as follows:

- a. During the Interim Loan Period (November 1, 1995 to December 1, 1996) interest shall be payable semiannually in arrears on June 30 and December 31 on the Loan proceeds theretofore disbursed at 2.45% interest and .50% administrative fee per annum.

At June 30, 1996, funds in the amount of \$1,159,315 were disbursed from the Department of Environmental Quality. Interest paid was \$476, accrued interest payable was \$4,074 and accrued administrative fee payable was \$831.

- b. Promptly after the date of the Final Loan Installment and verification by the Department of Environmental Quality of the Permanent Loan Amount, but in no event later than the 180th day succeeding the Completion Date (December 1, 1996) the Town of Lockport will execute a certificate setting forth the Permanent Loan Amount and, upon the execution of said certificate, which must be approved by the Department of Environmental Quality, the revenue bonds shall be appropriately marked and as so marked shall evidence the Permanent Loan Amount. At June 30, 1996, the permanent loan amount is anticipated to be \$1,770,000. \$1,701,000 of the loan is excluded from current liabilities and reported as a noncurrent liability. \$69,000 is reported as current liability for principal payment on March 1, 1997.

The annual requirements to amortize all debt outstanding will be determined on the closing date of the permanent loan.

NOTE J - DEDICATION OF PROCEEDS OF SPECIAL REVENUE FUNDS -

Sales Tax Fund

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

1. Constructing, acquiring, extending and/or improving:
 - Sewers and sewerage disposal works
 - Water works facilities
 - Drainage facilities
 - Streets (including sidewalks and street lighting facilities)
 - Public parks
 - Fire department and police stations and equipment

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of accounting - Continued

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

5. Budgets and budgetary accounting

The Town's procedures in establishing the budgetary data reflected in the financial statements are as follows:

a. The executive budget is prepared annually for the General, Special Revenue and Debt Service Funds in accordance with the basis of accounting utilized by each fund and is submitted to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted and said appropriation ordinance is consistent with the budget.

e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures, resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. Budget amendments and emergency expenditures follow the guidelines set forth under LSA-R.S. 39:1312-13.

f. All budgetary appropriations lapse at the end of each fiscal year.

g. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. For year ending June 30, 1996, amendments were made to original budget on September 19, 1995, May 22, 1996 and June 12, 1996.

TOWN OF LOCKPORT

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
 Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
Cash flows from operating activities:			
Operating flows from operating activities	\$ (11,376)	\$ 91,180	\$ 79,804
Adjusting to reconcile net income to net cash provided by operating activities			
Depreciation	15,078	24,048	39,126
(Increase) decrease in:			
Accounts receivable	20,586	(978,762)	(958,176)
Due from other funds	-	-	-
Prepaid expenses	1,260	-	1,260
Increase (decrease) in:			
Accounts payable	5,458	-	5,458
Accrued liabilities	3,001	4,906	7,907
Due to other funds	78	-	78
Contracts payable	(104,906)	975,685	870,779
Bond anticipation loan	-	69,000	69,000
Net cash provided (used) by operating activities	<u>(70,821)</u>	<u>186,057</u>	<u>115,236</u>
Cash flows from noncapital financing activities:			
Residual equity transfer in (out)	<u>(287,981)</u>	<u>287,981</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(287,981)</u>	<u>287,981</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	2,871	12,252	15,123
Sewer plant construction	-	(809,535)	(809,535)
Net cash provided (used) by investing activities	<u>2,871</u>	<u>(797,283)</u>	<u>(794,412)</u>
Cash flows from capital and related financing activities:			
Capital Grant - State of Louisiana	96,050	-	96,050
Bond anticipation loan	-	815,202	815,202
Net cash provided (used) by capital and related financing activities	<u>96,050</u>	<u>815,202</u>	<u>911,252</u>
Net increase (decrease) in cash	<u>(259,881)</u>	<u>491,957</u>	<u>232,076</u>
Cash and cash equivalents at beginning of year	<u>359,520</u>	<u>-</u>	<u>359,520</u>
Cash and cash equivalents at end of year	<u>\$ 99,639</u>	<u>\$ 491,957</u>	<u>\$ 591,596</u>

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE H - PROPRIETARY FUNDS - PROPERTY, PLANT AND EQUIPMENT -

A summary of property, plant and equipment at June 30, 1996, follows:

	Water System Fund	Sewer System Fund
Land	\$ 10,000	\$ -
Water Works System	645,546	-
Sewer System	-	1,003,279
Office Equipment	777	-
Construction-in-Progress	-	1,948,677
	656,323	2,951,956
Less accumulated depreciation	(480,907)	(726,309)
	\$ 175,416	\$ 2,225,647
Depreciation expense for the period ending June 30, 1996 was:	\$ 15,078	\$ 24,048

NOTE I - CHANGES IN LONG-TERM DEBT -

Governmental Funds

The following is a summary of bond transactions of the Town for the year ended June 30, 1996 (in thousands of dollars):

Bonds and notes payable at July 1, 1995	\$ 80	
Bonds and notes added	-	
Bonds and notes retired	80	
	-	
Bonds and notes payable at June 30, 1996	\$ -	

Bonds extinguished at June 30, 1996, are comprised of the following individual issues (in thousands of dollars):

General obligation bonds:

\$200,000 Certificate of Indebtedness - Series 1987, dated 12/01/87,
 due in annual installments of \$15,000 to \$30,000 through December 1,
 1997.

TOWN OF LOCKPORT

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
Year Ended June 30, 1996

	Enterprise Fund Types		Totals (Memorandum Only)
	Water System Fund	Sewer System Fund	
OPERATING SERVICES			
Charges for services -			
Water sales	\$ 137,011	\$ -	\$ 137,011
Sewer fees	-	164,632	164,632
Delinquent charges	3,808	4,576	8,384
Miscellaneous	3,192	1,103	4,295
TOTAL OPERATING REVENUES	144,011	170,311	314,322
OPERATING EXPENSES:			
Water department expenses	117,038	-	117,038
Sewer department expenses	-	31,811	31,811
General and administrative	23,271	23,272	46,543
Depreciation expense	15,078	24,048	39,126
TOTAL OPERATING EXPENSES	155,387	79,131	234,518
OPERATING INCOME (LOSS)	(11,376)	91,180	79,804
NONOPERATING REVENUES (EXPENSES):			
Interest earnings	2,871	12,251	15,122
TOTAL NONOPERATING REVENUES (EXPENSES)	2,871	12,251	15,122
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(8,505)	103,431	94,926
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET INCOME (LOSS)	(8,505)	103,431	94,926
Retained earnings, beginning	100,360	-	100,360
Residual Equity Transfer	(76,340)	76,340	-
Retained earnings, ending	\$ 15,515	\$ 179,771	\$ 195,286

The accompanying notes to financial statements are an integral part of these statements.

Excess (deficiency) of revenues over expenditures	<u>(87,347)</u>	<u>(60,204)</u>	<u>27,143</u>	<u>143,060</u>	<u>151,826</u>	<u>8,766</u>	<u>(84,279)</u>	<u>(84,280)</u>	<u>(1)</u>
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OTHER FINANCING SOURCES (USES)

Operating transfers in (out)

Sales Tax Fund	74,335	70,500	(3,835)	-	-	-	70,382	70,383	1
General Fund	-	-	-	(74,335)	(70,300)	4,035	-	-	-
Debt Service Fund	-	-	-	(68,033)	(70,383)	(2,350)	-	-	-
Building Maintenance Fund	-	(200)	(200)	-	-	-	-	-	-

TOTAL OTHER FINANCING SOURCES (USES)

	<u>74,335</u>	<u>70,300</u>	<u>(4,035)</u>	<u>(142,368)</u>	<u>(140,683)</u>	<u>1,685</u>	<u>70,382</u>	<u>70,383</u>	<u>1</u>
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Excess (deficiency) of revenues over expenditures and other sources (uses)

	(13,012)	10,096	23,108	692	11,143	10,451	(13,897)	(13,897)	-
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Fund Balances at beginning of year

	<u>101,697</u>	<u>101,697</u>	<u>-</u>	<u>209,421</u>	<u>209,421</u>	<u>-</u>	<u>13,897</u>	<u>13,897</u>	<u>-</u>
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Fund Balances at end of year

	<u>\$ 88,685</u>	<u>111,793</u>	<u>\$ 23,108</u>	<u>\$ 210,113</u>	<u>\$ 220,564</u>	<u>\$ 10,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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(Concluded)

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

The Town of Lockport was incorporated May 10, 1899, under the provisions of act 136 (Lawrason Act) of 1898, State of Louisiana. The Town operated under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety, highways and streets, drainage, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the Town of Lockport conform to generally accepted accounting principles. The following is a summary of certain significant accounting policies.

1. Financial reporting entity

The financial statements of the Town consist only of the funds and account groups of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered controlled by or dependent on the Town. Control by or dependence is determined on the basis of budget adoption, taxing authority, authority to issue debt and election or appointment of governing body.

2. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND TYPES

General Fund

The General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

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

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and payment of general long-term principal, interest and related cost.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Fund Accounting - Continued

PROPRIETARY FUND TYPES

Enterprise funds

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

3. Property, plant and equipment and long-term liabilities

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

Property, plant and equipment used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on such property, plant and equipment.

All property, plant and equipment are valued at historical cost. Donated property, plant and equipment are valued at their estimated fair value on the date donated.

The Town has adopted the accounting policy of not capitalizing "infrastructure" general fixed assets (roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the Town). The expenditures for infrastructure during the current year were \$47,162.

Interest costs for fixed-asset construction within enterprise funds are capitalized. However, all other interest costs are expressed in the debt service fund. Interest costs incurred at June 30, 1996 was, \$9,782, of which \$5,382 has been capitalized.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Property, plant and equipment and long-term liabilities - Continued

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their report fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Depreciation is provided in the enterprise fund in amounts sufficient to relate the cost of the depreciable assets, to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings	20 - 40 years
Improvements	10 - 20 years
Equipment	5 - 10 years

4. Basis of accounting

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

All governmental funds are accounted for by using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenue sources which have been treated as susceptible to accrual basis include property taxes, regularly billed charges for services provided, share taxes from other governments and franchise fees. Gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-term Debt	June 30, 1996	June 30, 1995
Enterprise				
\$ 16,800	\$ -	\$ -	\$ 34,701	\$ 34,180
-	-	-	8,510	8,747
-	-	-	-	104,906
7,238	-	-	7,238	10,095
69,000	-	-	69,000	-
4,906	-	-	4,906	-
39,580	-	-	39,580	36,110
975,685	-	-	975,685	-
1,701,000	-	-	1,701,000	-
-	-	-	-	80,000
<u>2,814,209</u>	<u>-</u>	<u>-</u>	<u>2,840,620</u>	<u>274,038</u>
978,647	-	-	978,647	882,597
-	1,904,372	-	1,904,372	1,775,987
2,567	-	-	2,567	-
192,719	-	-	192,719	100,360
-	-	-	80,000	13,897
-	-	-	252,357	311,118
<u>1,173,933</u>	<u>1,904,372</u>	<u>-</u>	<u>3,410,662</u>	<u>3,083,959</u>
<u>\$ 3,988,142</u>	<u>\$ 1,904,372</u>	<u>\$ -</u>	<u>\$ 6,251,282</u>	<u>\$ 3,357,997</u>

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Cash and Cash equivalents

Cash equivalents consist of certificates of deposit. All deposits are carried at cost plus accrued interest.

Under state law the Town of Lockport, Louisiana may deposit funds in obligations of the United States, time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principle office in the state of Louisiana, and S. E. C. registered mutual or trust funds having investments solely in United States obligations.

7. Compensated Absences

Under the terms of the Town's vacation policy, no vacation time may be accumulated by employees. A maximum of 180 days sick leave may be accumulated, however, employees are not compensated for the accumulated sick leave upon retirement or other termination. Due to the non-cummulative policy on vacation days and since no vesting of sick pay is allowed under state law, no accrued liability for compensated absences has been reported.

8. Bad debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the direct charge off method. Due to immaterial amounts, establishment of an allowance account was not provided.

9. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Town.

10. Total columns on combined statements - overview

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial position, results of operations, or changes in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

11. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 1996, are recorded as prepaid items. A portion of the relevant funds' balances equal to the prepaid items may be reserved to indicate that it is not available for appropriation.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds' contributed capital represents equity acquired through capital grants and capital contributions from bond issues, or other funds.

NOTE B - CASH AND INVESTMENTS -

At June 30, 1996, the Town's cash and time deposits with financial institutions amounted to \$901,548.

Bank balance was \$904,161, which, at the balance sheet date, was insured by federal depository insurance and/or collateralized by securities held by the Town or by the Town's agent in the Town's name.

NOTE C - RECEIVABLES -

Ad valorem taxes -

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on December 1 and are due and payable at that time. All unpaid taxes levied December 1 become delinquent February 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Lafourche Parish. Town property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

For the year ended June 30, 1996, taxes of 8.26 mills were levied on property with assessed valuations totaling \$4,420,427 and were dedicated as follows:

General corporate purposes	8.26 mills
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Total taxes levied were \$36,513. Taxes receivable at June 30, 1996, consisted of the following:

Taxes receivable current roll	\$ 502
Taxes receivable prior years	214
Notice fee and penalty receivable	106
	<u>\$ 822</u>

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE C - RECEIVABLES - Continued

Other receivables

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Proprietary Enterprise Funds</u>	<u>Total</u>
Franchise Tax	\$ 10,595	\$ -	\$ -	\$ 10,595
Internal Revenue Service	1,446	-	-	1,446
Accrued Interest	-	247	3,925	4,172
Accounts Receivable	-	-	35,776	35,776
	<u>\$ 12,041</u>	<u>\$ 247</u>	<u>\$ 39,701</u>	<u>\$ 51,989</u>

NOTE D - INTERFUND RECEIVABLES, PAYABLES -

Individual fund interfund receivable and payable balances at June 30, 1996, were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payables</u>
General Fund	\$6,656	\$ -
Special Revenue Fund:		
Sales Tax Fund	582	-
Enterprise Fund:		
Water System Fund	-	7,238
	<u>\$7,238</u>	<u>\$ 7,238</u>

NOTE E - DUE FROM OTHER GOVERNMENTAL UNITS -

Amounts due from other governmental units at June 30, 1996, consisted of the following:

	<u>Governmental Funds</u>	
State of Louisiana		
Department of Transportation	\$ 1,225	Maintenance Agreement
Department of Treasury	1,996	Parish Transportation
		Program
Department of Treasury	11,939	Shared Taxes
Lafourche Parish Council	405	Off-track Betting
Lafourche Parish School Board	12,925	Sales Tax
	<u>\$ 28,490</u>	

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE F - RESTRICTED ASSETS -

Certain assets of the enterprise funds are classified as restricted assets because their use is limited. Restricted assets were applicable to the following at June 30, 1996:

	Enterprise Funds	
	Water System Fund	Sewer System Fund
Restricted Cash and cash equivalents:		
Customers' meter deposit	\$ 39,580	\$ -
Revenue and Operating Fund	-	976
Sewer Revenue Bond Sinking Fund	-	5,156
Project Construction Fund	-	22,228
Total restricted cash and cash equivalents	\$ 39,580	\$ 28,360
Restricted Receivable:		
Louisiana Department of <i>Environmental Quality</i>	\$ -	\$ 954,798
Total restricted receivable	\$ -	\$ 954,798

NOTE G - CHANGES IN GENERAL FIXED ASSETS -

A summary of changes in general fixed assets (Note A3) as follows:

	Balance June 30, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 34,500	\$ 143,095	\$ -	\$ 177,595
Buildings	730,129	-	-	730,129
Traffic system	76,607	-	-	76,607
Office equipment and furniture	95,606	-	3,431	92,175
Automobiles and trucks	74,926	3,075	15,997	62,004
Drainage system pumping unit	77,538	-	-	77,538
Other equipment	93,501	2,400	757	95,144
Comeaux ditch drainage project	149,960	-	-	149,960
Drainage system - general	232,383	-	-	232,383
Timber bulkhead	210,837	-	-	210,837
	\$ 1,775,987	\$ 148,570	\$ 20,185	\$ 1,904,372

Excess (deficiency) of revenues over expenditures	<u>(60,204)</u>	<u>151,826</u>	<u>(84,280)</u>	<u>7,342</u>	<u>115,158</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)					
Sales Tax Fund	70,500	-	70,383	140,883	110,950
General Fund	-	(70,300)	-	(70,300)	82,550
Debt Service Fund	-	(70,383)	-	(70,383)	(28,400)
Building Maintenance Fund	(200)	-	-	(200)	-
TOTAL OTHER FINANCING SOURCES (USES):	<u>70,300</u>	<u>(140,683)</u>	<u>70,383</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	10,096	11,143	(13,897)	7,342	115,158
Fund Balances at beginning of year	<u>101,697</u>	<u>209,421</u>	<u>13,897</u>	<u>325,015</u>	<u>209,857</u>
Fund balances at end of year	<u>\$ 111,793</u>	<u>\$ 220,564</u>	<u>\$ -</u>	<u>\$ 332,357</u>	<u>\$ 325,015</u>

(Concluded)

The accompanying notes to financial statements are an integral part of these statements.