

TOWN OF COTTONPORT, LOUISIANA

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TOWN OF COTTONPORT, LOUISIANA

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TOWN OF COTTONPORT, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1966

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or receiver, 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 DEC 18 1966

ALBERT R. LEDER, CPA
A PROFESSIONAL CORPORATION
133 E. WARDL STREET
MARKSVILLE, LOUISIANA

TOWN OF COTTONPORT, LOUISIANA

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TOWN OF COTTONPORT, LOUISIANA
 GENERAL FUND
 STATEMENT OF FUNCTIONAL EXPENDITURES -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1996

FUND	Budget	Actual	Variance Favorable (Unfavorable)
FIRE			
Salaries	\$ 2,910	\$ 2,910	\$ -
Fire Truck Expense	1,000	-	1,000
Insurance	6,200	4,981	(781)
Materials & Supplies	200	-	200
Payroll Taxes	235	234	1
Appropriations to Volunteer Fire Dept.	6,282	14,328	(8,046)
Employee Benefits	100	109	(9)
Miscellaneous	<u>200</u>	<u>-</u>	<u>200</u>
Total Fire Department	<u>\$ 17,127</u>	<u>\$ 24,562</u>	<u>\$ (7,435)</u>
CITY COURT			
Magistrate Fees	\$ 300	\$ 300	\$ -
Prisoner Rations	4,580	1,032	3,468
Miscellaneous	<u>100</u>	<u>78</u>	<u>21</u>
Total City Court	<u>\$ 4,980</u>	<u>\$ 1,410</u>	<u>\$ 3,469</u>
GENERAL AND ADMINISTRATIVE			
Salaries	\$ 38,200	\$ 36,899	\$ 1,607
Legal & Auditing	2,900	4,400	1,099
Insurance	6,500	6,648	(348)
Miscellaneous	6,200	7,119	(919)
Office Supplies	10,200	8,683	1,519
Publications & Printing	6,500	5,917	583
Town Hall Expenses	5,000	4,780	220
Telephone	2,700	2,632	68
Utilities	<u>4,300</u>	<u>4,325</u>	<u>175</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Covered employees are required to contribute 5.00% of the total monthly earnings, excluding bonuses or fees in excess of regular salary or seminar, overtime pay, or payments relative to termination of employment. The Town is required to contribute 3.75% of each and every member's earnings.

Although contributions are determined by state statute rather than actuarial calculations, actuarially required contributions are determined for the System. The following provides certain disclosures for the Town of the retirement System that are required by GASB Codification Section F20.127:

Town:	
Total eligible payroll	\$ 151,196
Covered payroll	151,196
Actuarially required contribution for the entire System:	
Dollar amount	\$ 3,353,663
Percent of payroll	9.94%
Actuarially required contribution for Town:	
Dollar amount	\$ 13,250
Percent of total actuarially required contribution	.38%
Statistically required contribution for Town:	
Employer	\$ 5,670
Employee	<u>7,580</u>
Total	<u>\$ 13,250</u>
Actual contribution for Town:	
Employer	\$ 5,670
Employee	<u>7,580</u>
Total	<u>\$ 13,250</u>
Pension benefit obligation	\$70,386,933
Assets	<u>\$1,623,283</u>
Unfunded pension benefit obligations	<u>\$ 6,982,880</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

(Continued)

CAPITAL PROJECTS FUND

Sewer Plant Improvements Fund - To account for the financing and construction for sewer plant improvements funded by a \$381,600 Louisiana Community Development Block Grant.

Fire Station Construction Fund - To account for the financing and construction for a fire station funded by a \$200,000 Louisiana Office Facility Planning and Control Grant.

<u>Volunteer Fire Department Fund</u>			<u>Total</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 8,967	\$ 18,734	\$ 9,767	\$ 115,917	\$ 127,499	\$ 12,482
_____	<u>(5,000)</u>	<u>(5,000)</u>	<u>(99,000)</u>	<u>(99,000)</u>	<u>(5,000)</u>
\$ _____	\$ <u>(5,000)</u>	\$ <u>(5,000)</u>	\$ <u>(99,000)</u>	\$ <u>(99,000)</u>	\$ <u>(5,000)</u>
\$ 8,967	\$ 13,734	\$ 4,767	\$ 25,017	\$ 32,499	\$ 7,482
<u>47,669</u>	<u>47,669</u>	<u>-</u>	<u>85,901</u>	<u>85,901</u>	<u>-</u>
\$ 56,636	\$ 61,403	\$ 4,767	\$110,598	\$118,480	\$ 7,482

(Continued)

TOWN OF COTTONPORE, LOUISIANA
 SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1998

	<u>Sales Tax Fund</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Excess (Deficiency) of Revenues over Expenditures	\$ 105,000	\$ 105,765	\$ 2,715
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	<u>(90,000)</u>	<u>(90,000)</u>	-
Total other Financing Sources (Uses)	\$ <u>(90,000)</u>	\$ <u>(90,000)</u>	\$ -
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 15,000	\$ 15,765	\$ 2,715
Fund Balance - Beginning	<u>38,312</u>	<u>38,312</u>	-
Fund Balance - Ending	\$ <u>53,312</u>	\$ <u>54,077</u>	\$ 2,715

TOWN OF COTTONPORT, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1996

	Sales Tax Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes			
Sales Taxes	\$ 100,000	\$ 997,719	\$ 719
6 MI Tax	-	-	-
Intergovernmental			
Appropriations from Police Jury	-	-	-
Appropriations from Copyright Unit	-	-	-
Miscellaneous			
Interest Income	1,000	2,349	1,349
Miscellaneous Income	-	-	-
Total Revenues	<u>\$ 108,000</u>	<u>\$ 1,010,066</u>	<u>\$ 2,056</u>
EXPENDITURES			
General Government			
Legal and Professional	\$ 500	\$ -	\$ 500
Collection Fees	1,430	1,289	141
Bank Service Charges	20	2	18
Track Expenditures	-	-	-
Repairs and Maintenance	-	-	-
Continuing Education	-	-	-
Materials and Supplies	-	-	-
Miscellaneous	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>\$ 1,950</u>	<u>\$ 1,291</u>	<u>\$ 659</u>



Alfred R. Lopez
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an International Corporation

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INDEPENDENT AUDITOR'S REPORT

The Honorable Cleveland Carmouche, Mayor
and the Board of Aldermen
Town of Cotacopost, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Cotacopost, Louisiana, as of and for the year ended June 30, 1996 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Cotacopost, Louisiana as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

ENTERPRISE FUND:

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

TOWN OF COTTONPORT, LOUISIANA
 GENERAL FUND
 STATEMENT OF FUNCTIONAL EXPENDITURES -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1996

	Budget	Actual	Variance- Favorable (Unfavorable)
Payroll Taxes	3,170	2,954	216
Property Taxes	500	500	-
Dues & Subscriptions	1,200	1,283	(83)
Employee Benefits	4,100	4,264	(164)
Community Center Expenses	3,000	3,526	(526)
Assessor Fees	770	752	18
Travel & Convention	4,500	4,042	258
Recreation Park Expenses	600	674	(74)
Capital Outlay	6,400	2,391	4,009
Electric Expense	2,000	685	1,315
Bank Service Charge	20	6	14
Copier Lease Payments	480	593	(113)
Copier Rental Payments	765	812	153
Christmas Festival Expenses	8,200	12,365	(4,165)
Total General and Administrative	\$ 121,315	\$ 117,227	\$ 4,088
HEALTH AND SANITATION			
Pest Control	\$ 130	\$ 84	\$ 46
Solid Waste Disposal	<u>2,000</u>	<u>1,683</u>	<u>317</u>
Total Health and Sanitation	\$ 2,130	\$ 1,767	\$ 363

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
OPERATING REVENUES			
Charges for Services			
Water Services	\$ 255,445	\$ 268,482	\$ 13,037
Sewer Services	34,700	78,993	4,293
LAWCO Water Line	36,000	33,325	7,325
Excise Tax Refund	<u> 700</u>	<u> 1,150</u>	<u> 450</u>
Total Operating Revenues	<u>\$ 326,845</u>	<u>\$ 381,950</u>	<u>\$ 55,105</u>
OPERATING EXPENSES			
Water Department	\$ 187,620	\$ 175,012	\$ 12,608
Sewer Department	138,950	303,057	15,893
General & Administrative	<u> 5,893</u>	<u> 5,535</u>	<u> 358</u>
Total Operating Expenses	<u>\$ 332,463</u>	<u>\$ 513,604</u>	<u>\$ 181,141</u>
Operating Income (Loss)	\$ 94,382	\$ 68,346	\$ 26,036
NONOPERATING REVENUES (EXPENSES)			
Interest on Investments	52,125	12,564	409
Interest on Bonds & Lease Payable	<u>(800)</u>	<u>(652)</u>	<u>(148)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 51,325</u>	<u>\$ 11,912</u>	<u>\$ 39,413</u>
Income (Loss) Before Operating Transfers	\$ 25,735	\$ 80,848	\$ 55,113

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 GENERAL FUND
 STATEMENT OF FUNCTIONAL EXPENDITURES -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
STREETS AND BRIDGES			
Salaries	\$ 57,000	\$ 48,846	\$ 8,154
Track/Backhoe Expenses	2,500	2,655	(155)
Tractor Expenses	8,000	5,124	2,876
Materials & Supplies	8,000	10,088	(2,088)
Insurance	11,500	13,226	(2,028)
Payroll Taxes	4,700	3,919	781
Miscellaneous	2,500	1,825	675
Vapor Lights	17,500	15,125	2,365
Employee Benefits	1,300	1,216	186
Capital Outlay	54,527	54,527	(200)
Repairs and Maintenance	20,150	8,245	11,905
Equipment Lease Payments	15,302	11,871	3,231
Total Street Department	\$ 262,529	\$ 172,297	\$ 85,282
POLICE			
Salaries	\$ 60,250	\$ 53,230	\$ 6,720
Patrol Car Expense	10,500	9,827	673
Telephone	680	471	209
Insurance	10,000	12,160	(2,160)
Payroll Taxes	5,000	4,476	524
Uniforms	300	284	24
Materials & Supplies	4,500	1,898	2,602
Miscellaneous	1,000	1,257	(257)
Employee Benefits	4,000	3,740	260
Capital Outlay	1,500	1,692	(192)
Total Police Department	\$ 97,530	\$ 88,252	\$ 8,178

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1986

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Prior-period adjustment error in recording 6-30-85 cash balance	_____	<u>2,143</u>	<u>2,143</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 4,248	\$ 182,610	\$ 158,362
Fund Balance-Beginning	<u>119,489</u>	<u>119,489</u>	_____
Fund Balance-Ending	<u>\$ 123,737</u>	<u>\$ 282,109</u>	<u>\$ 158,362</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1988

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
EXPENDITURES			
Current-			
Streets and Bridges	\$ 382,579	\$ 177,297	\$ 205,282
Public Safety:			
Police	97,530	89,352	8,178
Fire	17,133	24,590	(7,457)
City Court	4,908	1,411	3,497
General and Administrative	121,515	137,223	(15,708)
Health and Sanitation	<u>2,128</u>	<u>1,262</u>	<u>866</u>
 Total Expenditures	 <u>\$ 595,583</u>	 <u>\$ 411,644</u>	 <u>\$ 183,939</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (234,079)	 \$ (89,819)	 \$ 144,260
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	54,327	54,327	-
Operating Transfers In	187,000	191,800	4,800
Operating Transfers Out	<u>(3,000)</u>	<u>(300)</u>	<u>2,700</u>
 Total Other Financing Sources (Uses)	 <u>\$ 238,327</u>	 <u>\$ 245,227</u>	 <u>\$ 6,900</u>
 Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses, Before Prior Period Adjustments	 \$ 4,248	 \$ 155,467	 \$ 151,219

(Continued)

TOWN OF CUTTONPORT, LOUISIANA
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Tax-Ad Valorem	\$ 28,360	\$ 26,280	\$ (80)
Licenses and Permits-Occupational			
Licenses/Permits	68,665	78,282	8,617
Fines and Court Costs	22,200	22,240	40
Franchise Fees	63,790	82,996	19,146
Intergovernmental			
Beer Tax	2,200	6,695	1,125
Tobacco Tax	18,700	13,435	2,715
Fire Insurance Tax	6,292	6,981	689
Housing Authority-in lieu of taxes	4,200	4,269	9
DPWD Maintenance Payment	4,605	4,685	-
Video Poker Revenue	28,000	24,066	4,066
Casino Revenue	13,000	19,482	6,482
State Grant	15,000	15,000	-
Rental Income	900	1,095	1,095
Miscellaneous			
Excise Tax Refund	850	1,011	161
Grass Cutting	1,800	1,290	(510)
Copies	50	34	(16)
Christmas Festival Funds	2,000	6,378	4,378
Interest Income	1,800	2,284	1,484
Miscellaneous Income	2,800	2,828	(72)
Utility Collection Fee	-	325	325
Total Revenues	\$ 221,512	\$ 221,836	\$ 324

(Continued)

GENERAL FUND

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

SUPPLEMENTARY DATA

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1995 actuarial valuation report. The Town does not guarantee the benefits granted by the System.

NOTE 11. COMPENSATION OF ELECTED OFFICIALS

A detail of compensation paid to individual elected officials for the year ended June 30, 1996, are as follows:

		<u>Term Expires</u>
Cleveland Carmouche, Mayor	\$ 8,532	12/31/96
Aldermen:		
Dwight B. Haysman	1,250	12/31/96
Rickey Broadwater	1,250	12/31/96
Luka L. Welch	1,200	12/31/96
Louis J. Lantier	1,200	12/31/96
Sarah A. Williams	1,250	12/31/96
Genald Mayeux, Police Chief	<u>20,532</u>	12/31/96
	<u>\$ 35,234</u>	

NOTE 12. FEDERAL FINANCIAL ASSISTANCE

On June 10, 1993 the Town of Cottonport was awarded funding in the amount of \$361,600 under the FY 1993 Louisiana Community Development Block Grant (LCDBG) Program for sewer renovations. As of June 30, 1996, the Town has received and expended \$275,698 (cumulative) under this grant.

(Continued)

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated for the constructing, acquiring, extending, improving, operating and maintaining the following:

- A. Sewers and Sewerage Disposal Facilities
- B. Waterworks Facilities
- C. Public Streets
- D. Drainage Facilities

Volunteer Fire Department Fund - To account for the activities of the Cotuitport Volunteer Fire Department (a component unit of the Town of Cotuitport)



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

The Honorable Cleveland Carmouche, Mayor
and the Board of Aldermen
Town of Cotzoport, Louisiana

We have audited the general purpose financial statements of the Town of Cotzoport, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We conducted our 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". These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Town of Cotzoport, Louisiana in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of the Town of Cotzoport, Louisiana and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 1, 1996.

TOWN OF COTTONPORT, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1996

<u>Finding / Noncompliance</u>	<u>Questioned Costs</u>
<p>For the fiscal year ended June 30, 1996, the Town of Cottonport has a drug-free workplace policy published in its personnel policy; however, they have not established an ongoing drug-free awareness program. At June 30, 1996 management of the Town of Cottonport was in the process of revising its personnel policy which will include revisions to its drug-free workplace policy to adhere to the above requirements.</p>	

TOWN OF COTTONPORT, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1996

Finding / Noncompliance

Questioned
Costs

As required by the Drug-Free Workplace Act all grantees receiving grants from any Federal agency must certify that they will provide a drug-free workplace.

The grantee certifies that it will provide a drug-free workplace by publishing a policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition; establishing an ongoing drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the grantee's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace; making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement, notifying the employee in the statement that, as a condition of employment under the grant, the employee will abide by the terms of the statement and notify the employer in writing of any criminal drug statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction; notifying the agency in writing within ten calendar days after receiving notice from an employee or otherwise receiving actual notice of such conviction; taking one of the following actions, within 30 calendar days of receiving notice with respect to any employee who is so convicted: taking appropriate personnel action against such an employee, up to and including termination; or requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

The Honorable Cleveland Carmichael, Mayor
Page 3

This report is intended for the information and use of management, applicable Federal agencies, other governmental agencies from which federal financial assistance was received and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which upon delivery to the Town of Cotonport, Louisiana, is a matter of public record.



Marksville, Louisiana
October 1, 1998



Albert R. Bryan
CERTIFIED PUBLIC ACCOUNTANT
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**INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NON MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

The Honorable Cleveland Carraway, Mayor
and the Board of Aldermen
Town of Cotacopost, Louisiana

We have audited the general purpose financial statements of the Town of Cotacopost, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

In connection with our audit of the general purpose financial statements of the Town of Cotacopost, Louisiana, and with our consideration of the Town of Cotacopost, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audit of State and Local Governments," we selected certain transactions, applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching; level of effort; and/or awarding requirements; planning and administrative costs; and approval of RRCP and environmental certification that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we 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 preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Cotacopost, Louisiana had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

The Honorable Cleveland Carmouche, Mayor

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This report is intended for the information of management, applicable Federal agencies, other governmental agencies from which federal financial assistance was received and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Town of Cottonport, Louisiana, is a matter of public record.



Monroeville, Louisiana

October 1, 1996



Arthur R. Singer
CERTIFIED PUBLIC ACCOUNTANT
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Cleveland Carmonite, Mayor
and the Board of Aldermen
Town of Cotacopost, Louisiana

We have audited the general purpose financial statements of the Town of Cotacopost, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We have applied procedures to test the Town of Cotacopost, Louisiana, 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 cost/charge principles
Drug-free Workplace Act

Our 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. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Cotacopost, Louisiana, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these 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 our attention that caused us to believe that the Town of Cotacopost, Louisiana, had not complied, in all material respects, with these requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

TOWN OF COTTONPORT, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 1995

	Sewer Plant Improvements <u>Fund</u>	Fire Station Construction <u>Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental			
Federal Grant	\$ 227,302	\$ -	\$227,302
State Grant	<u>-</u>	<u>17,120</u>	<u>17,120</u>
Total Revenues	<u>\$ 227,302</u>	<u>\$ 17,120</u>	<u>\$244,422</u>
EXPENDITURES			
Capital Outlay			
Construction	\$ 311,761	\$ -	\$ 311,761
Engineering	9,404	17,120	26,524
Administration	<u>6,002</u>	<u>22</u>	<u>6,024</u>
Total Expenditures	<u>\$ 327,167</u>	<u>\$ 17,142</u>	<u>\$ 344,309</u>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ (22)	\$ (22)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	<u>-</u>	<u>50</u>	<u>50</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	\$ -	\$ 28	\$ 28
Fund Balance - Beginning	<u>30</u>	<u>-</u>	<u>30</u>
Fund Balance - Ending	<u>\$ 30</u>	<u>\$ 28</u>	<u>\$ 58</u>

The management of the Town of Cottonport, 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 the 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, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- Budget
- Cash
- Revenue and Recal entries
- Expenditures for Goods and Services and Accounts Payable

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

During the year ended June 30, 1996, the Town of Cottonport, Louisiana had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs: Community Development Block Grant (State's Program).

We 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 we have 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 aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on those internal control structure policies and procedures. Accordingly, we do not express such an opinion.

TOWN OF COTTONPORT, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINED BALANCE SHEET
JUNE 30, 1996

	<u>Sales Tax Fund</u>	<u>Volunteer Fire Department Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 31,339	\$ 56,420	\$ 87,759
Investments	20,000	-	20,000
Receivables	5,848	-	5,848
Due from Oversight Unit	<u>-</u>	<u>7,281</u>	<u>7,281</u>
TOTAL ASSETS	<u>\$ 57,187</u>	<u>\$ 63,701</u>	<u>\$120,888</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 100	\$ -	\$ 100
Due to Oversight Unit	<u>-</u>	<u>2,298</u>	<u>2,298</u>
Total Liabilities	<u>\$ 100</u>	<u>\$ 2,298</u>	<u>\$ 2,408</u>
FUND EQUITY			
Fund Balance:			
Unreserved:			
Designated	\$ -	\$ 61,400	\$ 61,400
Undesignated	<u>57,037</u>	<u>-</u>	<u>57,037</u>
Total Fund Equity	<u>\$ 57,037</u>	<u>\$ 61,400</u>	<u>\$118,480</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 57,187</u>	<u>\$ 63,701</u>	<u>\$120,888</u>

<u>Program Amount</u>	<u>Current Year Revenue Recognized</u>	<u>Current Year Expenditures</u>
\$ 341,600	\$ 227,200	\$ 227,200
		<u>\$ 227,200</u>
		<u>\$ 227,200</u>

TOWN OF COTTONPORT, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 1996

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>
<u>U.S. Department of Housing and Urban Development</u>		
Passed Through State of Louisiana Division of Administration Office of Community Development: Community Development Block Grant (State's Program)	14.228	101-4016
 Total U.S. Department of Housing and Urban Development		
Total Federal Financial Assistance		



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**INDEPENDENT AUDITORS REPORT ON THE SCHEDULE
 OF FEDERAL FINANCIAL ASSISTANCE**

The Honorable Cleveland Carrouche, Mayor
 and the Board of Aldermen
 Town of Cottingham, Louisiana

We have audited the general purpose financial statements of the Town of Cottingham, Louisiana as of and for the year ended June 30, 1996 and have issued our report thereon dated October 1, 1996. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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". These standards and OMB Circular A-128 require that we 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Cottingham, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for the purpose 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 our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Monroe, Louisiana
 October 1, 1996

SINGLE AUNT SECTION

TOWN OF COTTONPORT, LOUISIANA
 ENTERPRISE FUND
 STATEMENT OF EXPENSES - BUDGET (OMAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
General & Administrative			
Salaries	\$ 20,000	\$ 22,901	\$ 2,901
Office	3,000	4,974	1,974
Legal & Auditing	1,000	2,867	1,867
Payroll Taxes	1,500	1,846	346
Employer Benefits	1,700	2,825	(1,125)
Miscellaneous	275	100	175
Bank Service Charge	20	22	(2)
	<u>\$ 28,895</u>	<u>\$ 35,535</u>	<u>\$ 6,640</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 ENTERPRISE FUND
 STATEMENT OF EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
EXPENSES:			
Water System			
Salaries	\$ 26,000	\$ 21,532	\$ 4,468
Materials & Supplies	11,000	13,405	(2,405)
Utilities & Telephone	54,600	58,982	(4,382)
Chemicals	7,500	6,895	1,605
Truck/Bus/Boat Expense	8,600	7,373	1,227
Insurance	10,500	9,960	540
Repairs & Maintenance	7,000	10,685	(3,685)
Payroll Taxes	2,300	1,735	665
Employee Benefits	1,500	1,198	704
Miscellaneous	6,700	2,165	4,535
Depreciation	47,000	41,636	5,364
Capital Outlay	4,000	-	4,000
Bad Debt Expense	220	48	172
	<u>\$187,620</u>	<u>\$ 175,012</u>	<u>\$ 12,608</u>
 sewer System			
Salaries	\$ 30,000	\$ 26,345	\$ 3,655
Truck/Bus/Boat Expense	6,000	3,912	2,088
Repairs & Maintenance	5,800	5,889	(289)
Materials & Supplies	12,000	7,660	4,340
Chemicals	6,300	5,780	720
Utilities	11,500	10,090	1,410
Employee Benefits	800	666	134
Miscellaneous	1,500	2,289	1,211
Payroll Taxes	3,500	3,144	356
Insurance	5,500	6,425	(1,125)
Depreciation	30,000	31,646	3,354
Bad Debt Expense	250	30	218
	<u>\$118,350</u>	<u>\$ 103,027</u>	<u>\$ 15,323</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
OPERATING TRANSFERS			
Opening Transfers In	\$ 3,000	\$ -	\$ (3,000)
Opening Transfers Out	<u>(96,000)</u>	<u>(96,000)</u>	<u>-</u>
Total Operating Transfers	\$ (93,000)	\$ (96,000)	\$ (3,000)
Net Income (Loss)	\$ (87,265)	\$ (13,155)	\$ 52,110
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reflects contributed capital	<u>\$ 57,363</u>	<u>\$ 57,363</u>	<u>\$ -</u>
Increase (Decrease) in Retained Earnings	(9,902)	42,210	52,110
Retained Earnings—Beginning	<u>464,751</u>	<u>464,751</u>	<u>-</u>
Retained Earnings—Ending	<u>\$ 454,849</u>	<u>\$ 506,962</u>	<u>\$ 52,113</u>

(Continued)

Our 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 constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the use of management, all applicable Federal agencies, and those other governments from which Federal financial assistance was received and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Town of Cocacopter, Louisiana, is a matter of public record.



Marksville, Louisiana
October 1, 1996

Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
\$ 195,800	\$ 4,572	\$ -	\$ -	\$ 509,255
76,283	-	-	-	121,660
1,184	-	-	-	1,260
38,224	-	-	-	38,224
10	116	-	-	900,823
-	-	-	-	2,298
-	-	-	-	7,280
86	-	-	-	85
1,421	-	-	-	1,421
23,814	-	-	-	23,814
-	-	60,031	-	60,031
-	-	328,002	-	328,002
-	-	124,880	-	124,880
-	-	179,590	-	179,590
2,939,138	-	-	-	2,939,138
275,688	-	-	-	275,688
(1,092,799)	-	-	-	(1,092,799)
-	-	-	46,008	46,008
\$2,458,863	\$ 4,688	\$,092,962	\$ 46,008	\$3,677,871

part of the financial statements.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 1996

	<u>ENTERPRISE</u>
OPERATING REVENUES	
Charges for Services	
Water Services	\$ 268,482
Sewer Services	78,999
LAWCO Water Line	33,315
Excise Tax Refund	<u>1,138</u>
Total Operating Revenues	<u>\$ 381,934</u>
OPERATING EXPENSES	
Water Department	\$ 175,012
Sewer Department	805,087
General and Administrative	<u>35,523</u>
Total Operating Expenses	<u>\$ 1,015,622</u>
Operating Income (Loss)	\$ -633,688
NONOPERATING REVENUES (EXPENSES)	
Interest on Investments	\$ 12,564
Interest on Bonds and Loans Payable	<u>621</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 13,185</u>
Income (Loss) Before Operating Interfund Transfer	\$ -620,503
OPERATING TRANSFERS FROM/TO	
Operating Transfers In	\$ -
Operating Transfers Out	<u>(95,000)</u>
Total Operating Transfers From (To)	<u>\$ (95,000)</u>

(Continued)

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

<u>SPECIAL REVENUE FUND TYPE</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 115,007	\$ 127,499	\$ 12,492
-	-	-
<u>(90,000)</u>	<u>(90,000)</u>	<u>15,000</u>
\$ 25,017	\$ 37,499	\$ 12,482
-	-	-
<u>25,017</u>	<u>37,499</u>	<u>12,482</u>
\$ 110,595	\$ 118,480	\$ 7,885

part of the financial statements.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 20. RETIREMENT COMMITMENTS

Substantially all full time employees of the Town are eligible to participate in the Municipal Employees' Retirement System, a multiple-employer public employee retirement system. Police officers are eligible to participate in the Municipal and State Police Retirement System of Louisiana, a multiple-employer public employee retirement system. For the current year, however, no one in the police department chose to participate.

Municipal Employees' Retirement System

The Municipal Employees Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERSS), controlled and administered by a separate board of trustees.

All members of the Municipal Employee's Retirement System are participants in either Plan A or Plan B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The Town of Cottonport is a participant in Plan B and following summary of plan provisions that pertain to B only.

Membership is mandatory by the employer as a condition of employment beginning on date employed if the employee is working on a permanent regularly scheduled basis of at least 35 hours per week, and not participating or eligible for membership in another public funded retirement system and under age 60 at date of employment.

Elected officials are considered full time employees and must be enrolled if they meet eligibility requirements. Members are eligible for retirement benefits when they meet one of the following: (1) Age 55 with thirty years of creditable service; (2) Age 60 with a minimum of ten years of creditable service; (3) Disability requires ten years of creditable service; or (4) Survivor's benefits require twenty years creditable service at death of member. The monthly amount of the retirement allowance for any member shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elective service. The retirement allowance is reduced by three percent for each year that the member is below the age of sixty-two at the time of retirement, unless he has at least thirty years of creditable service or unless he is an elected official with at least fifteen years of service as an elected official. The retirement benefit may not exceed seventy dollars per month for each year of creditable service.

(Continued)

<u>SPECIAL REVENUE FUND: TYPE</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 130,000	\$ 132,247	\$ 2,247
-	-	-
-	-	-
-	-	-
7,482	15,558	8,076
-	-	-
<u>2,300</u>	<u>7,655</u>	<u>5,355</u>
<u>\$ 130,782</u>	<u>\$ 135,460</u>	<u>\$ 4,678</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
9,775	23,192	(13,417)
-	-	-
<u>15,000</u>	<u>4,792</u>	<u>(10,208)</u>
<u>\$ 24,772</u>	<u>\$ 22,851</u>	<u>\$ (1,921)</u>

part of the financial statements.

(Continued)

<u>Volunteer Fire Department Fund</u>			<u>Total</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
-	-	-	\$ 100,000	\$ 100,713	\$ 713
23,090	24,334	1,234	23,000	24,334	1,334
1,200	1,200	-	1,200	1,200	-
6,292	14,358	8,066	6,292	14,358	8,066
3,900	3,474	(426)	3,900	3,817	(83)
-	3,838	3,838	-	3,838	3,838
<u>\$ 31,792</u>	<u>\$ 45,404</u>	<u>\$ 13,612</u>	<u>\$ 139,792</u>	<u>\$ 135,860</u>	<u>\$ 15,668</u>
\$ 900	\$ 530	\$ (370)	\$ 1,000	\$ 550	\$ 450
-	-	-	1,430	1,289	141
-	-	-	20	2	18
-	3,424	(3,424)	-	3,424	(3,424)
4,500	9,748	(5,248)	4,500	9,748	(5,248)
2,000	250	1,750	3,000	250	1,750
800	6,221	(5,421)	800	6,221	(5,421)
25	1,728	(1,703)	25	1,728	(1,703)
<u>15,000</u>	<u>4,782</u>	<u>10,218</u>	<u>15,000</u>	<u>4,269</u>	<u>10,731</u>
<u>\$ 22,832</u>	<u>\$ 26,670</u>	<u>\$ (3,838)</u>	<u>\$ 24,715</u>	<u>\$ 22,961</u>	<u>\$ (1,754)</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1996

	General	Special Revenues	Capital Projects	Total
Excess (Deficiency) of Revenues over Expenditures	\$ (89,818)	\$ 127,499	\$ (22)	\$ 37,659
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	54,327	-	-	54,327
Operating Transfers In	191,000	-	30	191,030
Operating Transfers Out	(50)	(95,000)	-	(95,050)
Total Other Financing Sources (Uses)	\$ 245,377	\$ 92,499	\$ 30	\$ 337,906
Excess (Deficiency) of Revenues and Other Sources Over Expenditures & Other Uses, Before Prior Period Adjustments	\$ 155,467	\$ 32,499	\$ 28	\$ 188,094
Prior-period adjustment error in recording 6/30/95 cash balance	3,143	-	-	3,143
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 162,610	\$ 32,499	\$ 28	\$ 195,137
Fund Balance - Beginning	119,690	82,581	10	202,281
Fund Balance - Ending	\$ 282,300	\$ 118,480	\$ 38	\$ 400,818

(Continued)

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

TOWN OF COTTONPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1986

	General	Special Services	Capital Projects	Total (Memorandum Col)
REVENUES				
Taxes	\$ 26,380	\$ 132,247	\$ -	\$ 158,627
Licenses and Permits	78,292	-	-	78,292
Fees and Court Costs	22,580	-	-	22,580
Franchise Fees	82,936	-	-	82,936
Intergovernmental	94,423	15,598	244,322	354,343
Rental	1,925	-	-	1,925
Miscellaneous	13,380	7,655	-	21,035
Total Revenues	\$321,836	\$155,490	\$244,322	\$721,648
EXPENDITURES				
Current Operating:				
Streets & Bridges	\$ 177,297	\$ -	\$ -	\$ 177,297
Public Safety:				
Police	89,352	-	-	89,352
Fire	34,902	-	-	34,902
City Court	1,411	-	-	1,411
General Government	117,227	23,192	-	140,419
Health and Sanitation	1,767	-	-	1,767
Capital Outlay	-	4,768	244,344	249,112
Total Expenditures	\$411,648	\$27,960	\$244,344	\$683,952

(Continued)

The accompanying notes are an integral part of the financial statements

TOWN OF COTTONPORT, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE
 YEAR ENDED JUNE 30, 1995

	<u>ENTERPRISE</u>
Net Income (Loss)	\$ (15,132)
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>57,363</u>
Increase (Decrease) in Retained Earnings	42,231
Retained Earnings-Beginning	<u>664,351</u>
Retained Earnings-Ending	<u>\$ 508,962</u>

(Continued)

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

TOWN OF COTTONPORT, LOUISIANA

COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
LIABILITIES			
Accounts Payable & Accrued Expenses	\$ 8,401	\$ 110	\$ -
Contracts Payable	-	-	52,822
Due to Overnight Unit	-	2,298	-
Due to Component Unit	7,281	-	-
Due to Other Funds	-	-	-
Payroll Taxes Payable	-	-	-
Employee Retirement Payable	-	-	-
Employee Garnishment Payable	-	-	-
Payable from Restricted Assets:			
Utility Security Deposits	-	-	-
Deferred Grant Revenue	-	-	1,080
Leases Payable (current portion)	-	-	-
Leases Payable	-	-	-
Total Liabilities	<u>\$ 15,682</u>	<u>\$ 2,408</u>	<u>\$ 54,902</u>
FUND EQUITY			
Contributed Capital	\$ -	\$ -	\$ -
Investment in General Fixed Assets	-	-	-
Retained Earnings:			
Unreserved	-	-	-
Fund Balance:			
Unreserved			
Designated for Subsequent Year's			
Expenditures	-	61,403	-
Unreserved	182,108	57,077	38
Total Fund Equity	<u>\$ 182,108</u>	<u>\$ 118,480</u>	<u>\$ 38</u>
Total Liabilities & Fund Equity	<u>\$ 167,790</u>	<u>\$ 120,888</u>	<u>\$ 54,940</u>

The accompanying notes are an integral

TOWN OF COTTONPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 YEAR ENDED JUNE 30, 1996

	GENERAL FUND		
	Budget	Actual	Variance- Favorable (Unfavorable)
Excess (Deficiency) of Revenues over Expenditures	\$234,000	\$ (89,800)	\$ 344,269
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	34,327	34,327	-
Operating Transfers In	187,000	191,000	4,000
Operating Transfers Out	<u>(2,000)</u>	<u>(200)</u>	<u>2,800</u>
Total Other Financing Sources (Uses)	\$ 238,327	\$ 245,327	\$ 6,850
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses, Before Prior Period Adjustments	\$ 4,248	\$ 155,467	\$ 151,219
Prior-period adjustments—error in recording 6/30/95 cash balance	<u> </u>	<u> 3,343</u>	<u> 3,343</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 4,248	\$ 162,810	\$ 158,362
Fund Balance - Beginning	<u>102,499</u>	<u>118,409</u>	<u> </u>
Fund Balance - Ending	\$ 123,793	\$ 283,109	\$ 158,362

The accompanying notes are an integral

TOWN OF COTTONPORT, LOUISIANA

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

	GOVERNMENTAL FUND TYPES		
	General	Special Revenues	Capital Projects
ASSETS			
Cash and Cash Equivalents	\$231,086	\$ 87,799	\$ 38
Investments	25,915	20,000	-
Receivables:			
Accrued Interest	76	-	-
Utility	-	-	-
Other	20,947	5,848	54,982
Due from Component Unit	2,268	-	-
Due from Overnight Unit	-	7,281	-
Due from Other Funds	9	-	-
Restricted Assets:			
Cash	-	-	-
Investments	-	-	-
Land	-	-	-
Building and Improvements	-	-	-
Furniture, Fixtures and Equipment	-	-	-
Automobiles, Trucks and Tractors	-	-	-
Plant and Equipment	-	-	-
Construction in Progress	-	-	-
Accumulated Depreciation	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-
TOTAL ASSETS	\$288,291	\$120,888	\$54,982

The accompanying notes are an integral

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)



Alford B. Boyer
 CERTIFIED PUBLIC ACCOUNTANT
 A Professional Corporation

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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 Cleveland Carmonche, Mayor
 and the Board of Aldermen
 Town of Cotacopost, Louisiana

We have audited the general purpose financial statements of the Town of Cotacopost, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


 Monroville, Louisiana
 October 1, 1996

The Honorable Cleveland Carmichael, Mayor

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Our 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. We consider the above reportable condition involving the internal control structure and its operation 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 our audit of the financial statements of the Town of Cottonport for the year ended June 30, 1996.

This report is intended for the information of the management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Marksville, Louisiana

October 1, 1996

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our 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.

Responses were provided by Cleveland Carmoche, Mayor of the Town of Cotonport, Louisiana.

- 1) **Finding:** During the fiscal year ended June 30, 1996, 163 of the 431 tickets issued by the Town's police department were dismissed by the Town's Judge. Based on an average collection per ticket for the fiscal year this 37% of dismissals causes a significant loss of revenues to the Town.

Recommendation: Management should periodically review the number of ticket dismissals made by the Judge and discuss the elimination of ticket dismissals with the Judge to prevent the loss of revenue for the Town.

Response: The Town will periodically review the Judge's ticket dismissals and will discuss the elimination of ticket dismissals with the Judge.

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.



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 Cleveland Carmichael, Mayor
and the Board of Aldermen
Town of Cotacopost, Louisiana

We have audited the general purpose financial statements of the Town of Cotacopost, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Cotacopost, 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 recorded 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.

The Honorable Cleveland Carmichael, Mayor
Page 2

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary data 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 Cottonport, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Monroeville, Louisiana
October 1, 1990

Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Total (Information Only)
		General Fixed Assets	General Long-Term Debt	
\$ 10,806	\$ -	\$ -	\$ -	\$ 10,817
-	-	-	-	33,822
-	-	-	-	2,298
-	-	-	-	7,283
-	95	-	-	95
-	1,385	-	-	1,385
-	3,203	-	-	3,203
-	6	-	-	6
25,135	-	-	-	25,135
-	-	-	-	1,080
-	-	-	12,039	12,039
-	-	-	33,589	33,589
<u>\$ 42,641</u>	<u>\$ 4,689</u>	<u>\$ -</u>	<u>\$ 46,008</u>	<u>\$ 166,729</u>
\$1,009,898	\$ -	\$ -	\$ -	\$1,009,898
-	-	692,863	-	692,863
306,962	-	-	-	306,962
-	-	-	-	61,403
-	-	-	-	338,254
<u>\$1,486,828</u>	<u>\$ -</u>	<u>\$ 692,863</u>	<u>\$ -</u>	<u>\$3,518,310</u>
<u>\$1,458,961</u>	<u>\$ 4,689</u>	<u>\$ 692,863</u>	<u>\$ 46,008</u>	<u>\$3,677,038</u>

part of the financial statements.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 8. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 6/30/95	Additions	Deletions	Balance 6/30/96
Land & Improvements	\$ 60,031	\$ -	\$ -	\$ 60,031
Building & Improvements	327,682	200	-	328,082
Furniture, Fixtures, & Equipment	31,066	45,535	2,741	124,860
Vehicles & Tractors	152,483	27,460	-	179,943
Totals	\$671,262	\$ 73,195	\$ 2,741	\$821,616

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

Water System:

Water lines, well and extensions	\$1,190,316
Motors and pumps	43,481
Service vehicles	32,885
Office equipment	3,802
Building and fixtures	29,109
Other equipment	28,149

Sewer System:

Treatment Facility and Lines and Equipment	\$1,906,396
	\$2,906,196
Less: Accumulated Depreciation	(1,020,790)
Net	\$1,885,406

(Continued)

TOWN OF COTTONPORE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1995

2. Galaxy Cablevision - effective June 8, 1981 for a period of fifteen (15) years. The franchise fee is based on five percent (5%) of gross subscription receipts, less state sales taxes, federal excise tax and copyright received by the company within the Town city limits. Fees are payable to the Town quarterly, by the 10th of the following month. On May 11, 1994 the Town transferred this franchise agreement from Galaxy Cablevision to Friendship Cable and extended the agreement for an additional thirteen (13) years after expiration of the original franchise.
3. Gasco - effective July 12, 1993 for a period of fifteen (15) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Town. Fees are payable on or before the 10th day of each February.
4. Central Louisiana Telephone Company - effective January 1, 1994 for a period of twenty-five (25) years. The franchise fee is based on five percent (5%) of the approved tariff rate for local access line telephone service provided by the Company within the corporate limits of the Town and the Company shall provide free to the Town three (3) local access lines. Fees are payable no later than sixty (60) days after the end of each calendar quarter.

NOTE 18. ROAD MAINTENANCE AGREEMENTS

On July 1, 1995 the Town of Cottonport entered into a maintenance agreement with the Department of Transportation and Development for a one-year period whereby the Town of Cottonport will maintain its municipal streets and roads, including mowing and litter pickup, and the Department of Transportation and Development will reimburse the Town with semi-annual payments totaling \$4,005, which is determined at a rate of \$921 per mile for 5 miles of undivided streets per year.

NOTE 19. SALES TAX COLLECTION AGREEMENT

On June 5, 1992, the Town of Cottonport entered into an intergovernmental agreement with the Avoyelles Parish School Board for a one year period commencing on July 1, 1992 whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the Town of Cottonport under the Town's ordinances for a monthly fee of 1 1/8% of the gross tax revenues collected by the School Board. The School Board will remit the sales tax collections to the Town of Cottonport on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection in administration of the taxes have been deducted, including the collection fee. This contract automatically renewed for a one year period commencing July 1, 1995.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1986

1. Ward 3 Arcepelles Water District - contract dated January 23, 1959 requiring the Town of Cottonport to supply water for resale to Ward 3 of Arcepelles Parish for twenty (20) years at a rate of \$1.02 per 1,000 gallons up to 3,000,000 gallons and \$1.11 per 1,000 gallons in excess of 3,000,000 gallons with a minimum rate of \$500 per month.
2. Village of Plancherille - contract dated February 1, 1966 requiring the Town of Cottonport to supply water for resale to Plancherille, Louisiana for a term of one (1) year at a rate of \$1.02 per 1,000 gallons per month.
4. Louisiana Correctional Facilities Corporation - contract dated June 30, 1985 requiring the Town of Cottonport to supply water for resale to the Medium Security Prison in Cottonport for a one year period from the initial date water is transported at a rate of \$0.70 per 1,000 gallons. Rate is to be adjusted annually upon renewal for not more than seven (7) each renewal term. On January 1, 1982 the rate was increased to \$.92 per 1,000 gallons. On November 15, 1985 the rate was increased to \$1.20 per 1,000 gallons effective January 1, 1986.

NOTE 17. FRANCHISE AGREEMENTS

The Town came into franchise agreements with various public utility companies that provide services within the corporate limits of the Town. A summary of each such agreement follows:

1. Central Louisiana Electric Company, Inc. (CLECO) - effective October 9, 1985 for a period of thirty (30) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the limits of the Town. Fees are payable quarterly within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:
 - A. Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).
 - B. CLECO will provide free electric service to the Town and reduce street light rates until November 1988. Thereafter, prevailing commercial rates shall apply and street light rates will increase.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

NOTE 14. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish.

For the year ended June 30, 1996, taxes of 6.14 mills were levied on property with assessed valuations totaling \$4,313,380 and were dedicated as follows:

General Corporate Purposes	6.14 mills
----------------------------	------------

Total taxes levied were \$28,280.

NOTE 15. DEDICATION OF 1% SALES TAX REVENUES

On October 21, 1995, the voters of the Town of Cottonport approved a one percent (1%) sales and use tax for a period of twenty-five years from April 1, 1996. The revenues derived from said sales and use tax are to be used for the purposes of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, public streets and drainage facilities.

NOTE 16. WATER PURCHASE CONTRACTS

The Town of Cottonport has various contract agreements in effect for the sale of water with details and terms as follows:

1. Louisiana Water Company (LAWCO) - contract dated July 1, 1995 requiring the Town of Cottonport to supply water for resale in Mansura, Louisiana for a period of twenty(20) years at a rate of \$1.20 per 1,000 gallons up to 2,500,000 gallons and \$1.35 per 1,000 gallons in excess of 2,500,000 gallons with a minimum of \$380 per month.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 YEAR ENDED JUNE 30, 1996

	GENERAL FUND		
	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes	\$ 26,360	\$ 26,280	\$ (80)
Licenses and Permits	69,665	78,293	8,627
Fines and Court Costs	22,389	22,560	171
Franchise Fees	63,790	82,936	19,146
Intergovernmental	79,297	94,423	15,126
Rental	993	1,925	1,932
Miscellaneous	9,181	15,290	6,109
Total Revenues	\$ 271,512	\$ 321,856	\$ 50,344
EXPENDITURES			
Street & Bridges	\$ 362,979	\$ 177,297	\$ 185,682
Public Safety			
Police Department	97,530	89,352	8,178
Fire Department	17,137	24,592	(7,455)
City Court	4,000	1,611	2,389
General Government	121,815	107,223	14,592
Health and Sanitation	2,130	1,767	363
Capital Outlay	-	-	-
Total Expenditures	\$ 505,591	\$ 411,644	\$ 93,947

The accompanying notes are an integral

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 9. CONSTRUCTION IN PROGRESS

Construction in progress of \$113,698 at June 30, 1996 consists of expenditures through June 30, 1994 for the Town's sewer plant improvements.

NOTE 10. CAPITAL LEASE

The Town of Cottonport has entered into two lease agreements as leases for financing the acquisitions of a pot pole puller and a tractor for its General Fund. These lease agreements qualify as capital leases for accounting purposes (leases contain an option to purchase the leased properties) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of the equipment leased under these capital leases as of June 30, 1996:

	General Fund Assets
Furniture, Fixtures and Equipment	\$ 38,166
Automobiles, Trucks and Tractors	<u>16,161</u>
Carrying value	<u>\$ 54,327</u>

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 1996:

Year Ending June 30:	General Long-Term Debt
1997	\$ 15,828
1998	15,828
1999	11,133
2000	9,568
2001	<u>2,382</u>
Total minimum lease payments	54,749
Less: Amount representing interest	<u>(38,741)</u>
Present value of future minimum lease payments	<u>\$ 16,008</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 1996

	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 372,771
Cash payments to suppliers for goods and services	(139,370)
Cash payments to employees for services	<u>(99,378)</u>
Net cash provided by operating activities	\$ 145,213
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers out to other funds	\$ (196,000)
Net cash (used for) noncapital financing activities	\$ (196,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on Lease Payable	(3,117)
Interest paid on Lease Payable	(62)
Acquisitions of plant and equipment	(279,698)
Contributed Capital by Federal Grant	<u>275,698</u>
Net cash (used for) capital and related financing activities	\$ (3,179)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Earnings on invested proceeds	12,564
Proceeds from maturities of investments	<u>21,679</u>
Net cash provided by investing activities	\$ 34,243
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	80,281
CASH AT BEGINNING OF YEAR	<u>115,518</u>
CASH AT END OF YEAR	\$ 195,800

(Continued)

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

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

NOTE 5. OTHER RECEIVABLES

Other receivables of \$100,823 consisted of the following at June 30, 1996:

Franchise Fees	\$ 14,389
Tobacco Taxes	2,683
28-Fin Insurance Commission	6,581
Beer Taxes	1,351
Road Maintenance Refund	2,380
Casino Revenue	3,581
Video Poker Revenue	6,081
MSF Receivable	18
Employee Receivable	116
Sales Taxes	3,848
Federal Grants	<u>54,592</u>
Total	<u>\$100,823</u>

NOTE 6. INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivable	Interfund Payable
General Fund	\$ 9	\$ -
Enterprise Fund	86	-
Agency Fund	-	<u>82</u>
	<u>\$ 95</u>	<u>\$ 82</u>

NOTE 7. RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30, 1996:

Cash-on-hand Deposits	<u>\$ 25,215</u>
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(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996, the Town has \$528,339 in deposits (collected bank balances). These deposits are secured from risk by \$51,073 of federal deposit insurance and \$477,262 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of notification by the Town that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3. INVESTMENTS

At June 30, 1996, the Town has investments totaling \$145,474. These investments are stated at cost, which approximates market and are secured from risk by federal deposit insurance.

NOTE 4. UTILITY RECEIVABLES

In the enterprise fund audited utility receivables were increased at June 30, 1996. Billed receivable balance at June 30, 1996 of \$38,224 consisted of the following:

Current billings	\$ 37,160
Over 30 days	718
Over 60 days	<u>346</u>
	<u>\$ 38,224</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

Employees with tenure of one to five completed years of service are entitled to five days of sick leave for each year of service and accumulate one additional day for each year thereafter. Sick leave may not be substituted for pay. Therefore, employees who resign, retire, or who are dismissed from employment are not entitled to payment for any accrued sick leave.

The cost of current leave privileges are recognized as a current-year expenditure in the governmental funds when leave is actually taken. No accounts for accumulated compensated absences have been made in these financial statements.

Long-Term Obligations. Long term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in these funds.

Total Columns on Combined Statements - Overview. Total columns on the combined statements - overview are captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 1996, the Town has cash and cash equivalents (bank balances) totaling \$520,676, as follows:

Cash:	
Cash on hand	\$ 100
Demand deposits	12,064
Time deposits	<u>508,512</u>
Total	\$ 520,676

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plants and equipment are depreciated in the proprietary funds of the Town of Cottonport using the straight line method over the following estimated useful lives:

Water Utility	
Wells	20 years
Motors and Pumps	10 years
Buildings	20 years
Lines	50 years
Vehicles & Other Equipment	5 years
Sewerage Utility	
Lines & Treatment Plant	50 years
Autom & Trucks	5 years
Other Equipment	6-10 years

Depreciation expense on fixed assets used by the proprietary funds for the fiscal year ended June 30, 1996 is \$73,282. Accumulated depreciation on fixed assets used by the proprietary funds for the fiscal year ended June 30, 1996 is \$1,082,709.

Accumulated Unpaid Vacation, Sick-pay, and other Employee Benefits: The Town of Cottonport has the following policy relating to vacation and sick leave:

Vacation and sick leave are operated on a fiscal year basis beginning January 1st through December 31st.

Employees with tenure of one to five years are entitled to one week of vacation per year. Employees with six to fifteen years of service are entitled to two weeks of vacation per year. Employees with sixteen or more years of service are entitled to three weeks of vacation per year. All vacation must be taken by January 31st of the succeeding year. Unused vacation days do not accumulate.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

Cash Flow Presentation. For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments. Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments, which consist of interest-bearing certificates of deposit with maturities greater than three months in local financial institutions, are stated at cost. At June 30, 1996, cost approximated market value on investments held by the Town.

Bad Debts. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized as bad debts through the establishment of an allowance amount at the time information becomes available which would indicate the uncollectibility of the particular receivable. Uncollectible amounts at June 30, 1996 were immaterial.

Inventories. Purchase of various operating supplies are regarded as expenditures at the time purchased, as inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year due to immateriality. At June 30, 1996 inventories of supplies is immaterial.

Fixed Assets. Fixed assets used in government fund types of the Town of Cottonport are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is capitalized on general fixed assets. For the fiscal year ended June 30, 1996, there were no interest charges capitalized on fixed assets acquired or constructed.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Town) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extends assets' lives are not included in the general fixed assets account group or capitalized in the proprietary funds.

Property, plant and equipment in the proprietary funds of the Town are recorded at cost. Property, plant and equipment donated to those proprietary fund type operations are recorded at their estimated fair value at the date of donation.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Budget and budgetary accounting. The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Town Clerk prepares a proposed budget for the General, Special Revenue and Enterprise Funds and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue 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.
8. The Town does not formally integrate its budget into the accounting system. On a quarterly basis, however, a budgetary comparison report is prepared as a management control device to determine the availability of unappropriated funds. Budgetary control as defined above is accomplished at the departmental fund level due to the flexibility for interdepartmental transfers of line item appropriations.

Cash. Cash includes amounts in cash on hand, demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of three months or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Excluded from the reporting entity:

Cottonport Industrial Development Board. The Cottonport Industrial Development Board is governed by citizens appointed by the Town of Cottonport's Mayor and Board of Aldermen, but assets and expenses incurred are not controlled by the Town and thereby not included in this report.

Cottonport Housing Authority. The Cottonport Housing Authority Commissioner is appointed by the Town of Cottonport's Mayor and Board of Aldermen; however no control is exercised over its operations.

Management Focus, Basis of Accounting and Basis of Presentation. The accounts of the Town of Cottonport are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Town of Cottonport has the following fund types and account groups:

Governmental Funds-

Governmental funds are used to account for the Town of Cottonport's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town of Cottonport considers all revenues available if they are collected within 90 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general long-term debt which is recognized when due.

Property taxes, franchise taxes, licenses, interest, and charges for services are susceptible to accrual. Sales taxes collected and held by the tax collector at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Governmental funds include the following fund types:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Proprietary Funds-

Proprietary funds are accounted for on the flow of economic resources measurement basis and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded as the time liabilities are incurred. The Town applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary Funds-

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund types:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Town holds for others in an agency capacity.

Account Groups-

The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for the general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

(Continued)

TOWN OF COTTONPORT, LOUISIANA
 STATEMENT OF CASH FLOWS PROPRIETARY FUND TYPE
 YEAR ENDED JUNE 30, 2006

	<u>ENTERPRISE</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 68,348
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	73,282
Changes in assets and liabilities:	
Decrease (Increase) in accounts receivable	(9,179)
Decrease (Increase) in due from other funds	(88)
Increase (Decrease) in accounts payable	12,843
Increase (Decrease) in customer security deposits	<u>9</u>
Total adjustments	\$ <u>76,871</u>
Net cash provided by operating activities	\$ <u>145,217</u>

(Continued)

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

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cottonport was incorporated on March 28, 1896. On October 31, 1924, under the provisions of the Lawton Act, the Town began operating under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Cottonport conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Audit of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies.

Financial Reporting Entity. This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:

Cottonport Volunteer Fire Department. The Cottonport Volunteer Fire Department Fire Chief and assistant Fire Chief are appointed by the Town of Cottonport's mayor and Board of Aldermen. The Fire Chief is held accountable to make reports to the Town's Mayor and Board of Aldermen as they may require. These financial statements include expenditures incurred directly by the Town for the Volunteer Fire Department from public funds in a Special Revenue Fund. These financial statements do not include operating expenditures paid with self-generated funds of the Cottonport Volunteer Fire Department, which are immaterial for the fiscal year ended June 30, 1996.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 11. CHANGES IN AGENCY FUND:

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES YEAR ENDED JUNE 30, 1996

ASSETS	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
Cash	\$ 4,823	\$ 245,732	\$ 245,973	\$ 4,572
Other Receivables	-	800	694	116
Due from Other Funds	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>
	<u>\$ 4,831</u>	<u>\$ 246,532</u>	<u>\$ 246,672</u>	<u>\$ 4,688</u>
LIABILITIES				
Due to Other Funds	\$ -	\$ 182,138	\$ 182,043	\$ 95
Payroll Taxes Payable	1,316	70,732	70,653	1,395
Retirement Payable	3,254	13,963	13,414	3,803
Employee Compensation Payable	<u>261</u>	<u>300</u>	<u>582</u>	<u>6</u>
	<u>\$ 4,831</u>	<u>\$ 246,532</u>	<u>\$ 246,672</u>	<u>\$ 4,688</u>

NOTE 12. DESIGNATION OF FUND BALANCE

In the Special Revenue Fund, the unreserved fund balance in the Volunteer Fire Department Fund has been designated in the amount of \$61,483 for the purchase of equipment or supplies, salaries of firemen, repair of equipment, training and/or training aids, fire station building and/or maintenance, and/or any other fire protection related expense within the subdivision, pursuant to Article 8 of Averyelles Fire Protection District #2.

NOTE 13. CHANGES IN CONTRIBUTED CAPITAL

During the fiscal year ended June 30, 1996, the contributed capital in the enterprise fund increased by \$275,698 as a result of capitalization of sewer plant improvements funded by a grant from the Louisiana Community Development Block Grant (LCDBG) Program.

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