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TOWN OF LOCKPORT, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 2004

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Release Date 1-26-05

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Ann T. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

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INDEPENDENT AUDITOR'S REPORT

The Honorable Richard Champagne, Mayor
and the Members of the Town Council
Lockport, Louisiana

I have audited the accompanying basic financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Town of Lockport, Louisiana, as of June 30, 2004, and the results of its operations and cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

As discussed in Note B, the Town has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Lockport, Louisiana. Such information, except for the portion marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken a whole.



Ann T. Hebert
Certified Public Accountant

December 4, 2004

Ann T. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

(504) 446-0994

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

The Honorable Richard Champagne, Mayor
and the Members of the Town Council
Lockport, Louisiana

I have audited the accompanying basic financial statements of the Town of Lockport, Louisiana, as of June 30, 2004, and for the year then ended, and have issued my report thereon dated December 4, 2004. I conducted my audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Lockport, Louisiana's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

There was a prior year compliance finding as stated in the Summary Schedule of Audit Findings which has been resolved.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Lockport, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2004-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe the reportable condition described above is a material weakness.

There were no prior year internal control findings.

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

A handwritten signature in cursive script that reads "Ann J. Helbert".

Thibodaux, Louisiana

December 4, 2004

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

TOWN OF LOCKPORT

Statement of Net Assets
June 30, 2004

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 839,241	\$ 262,692	\$ 1,101,933
Receivables, net	67,701	13,313	81,014
Internal balances	(3,335)	3,335	---
Prepaid items	1,131	199	1,330
Total current assets	<u>904,738</u>	<u>279,539</u>	<u>1,184,277</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	---	216,106	216,106
Project in progress	46,321	---	46,321
Capital assets:			
Land and construction in progress	185,555	---	185,555
Capital assets, net	851,433	1,905,622	2,757,055
Total noncurrent assets	<u>1,083,309</u>	<u>2,121,728</u>	<u>3,205,037</u>
Other assets:			
Meter deposits	10	---	10
Total assets	<u>\$ 1,988,057</u>	<u>\$ 2,401,267</u>	<u>\$ 4,389,324</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	\$ 8,652	\$ 556	\$ 9,208
Bonds payable	---	83,000	83,000
Accrued interest	---	9,637	9,637
Total current liabilities	<u>8,652</u>	<u>93,193</u>	<u>101,845</u>
Noncurrent liabilities:			
Bonds payable	---	1,097,000	1,097,000
Total noncurrent liabilities	<u>---</u>	<u>1,097,000</u>	<u>1,097,000</u>
Total liabilities	<u>8,652</u>	<u>1,190,193</u>	<u>1,198,845</u>

(Continued on next page)

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

TOWN OF LOCKPORT

Statement of Net Assets
June 30, 2004
Continued

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,083,309	808,621	1,891,930
Restricted for debt service	---	92,637	92,637
Unrestricted	<u>896,096</u>	<u>309,816</u>	<u>1,205,912</u>
Total net assets	<u>\$ 1,979,405</u>	<u>\$ 1,211,074</u>	<u>\$ 3,190,479</u>

Concluded

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

TOWN OF LOCKPORT
Statement of Activities
For the Year Ended June 30, 2004

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines and Charges and Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental activities:							
General government	\$ 141,176	\$ ---	\$ 8,950	\$ ---	\$ (132,226)	\$ ---	\$ (132,226)
Public safety:							
Police	281,260	43,012	8,280	6,353	(223,615)	---	(223,615)
Streets	101,668	---	53,501	---	(48,167)	---	(48,167)
Drainage	54,197	---	---	25,000	(29,197)	---	(29,197)
Parks	9,952	---	2,264	---	(7,688)	---	(7,688)
Town hall complex	43,964	39,322	---	---	(4,642)	---	(4,642)
Total governmental activities	632,217	82,334	72,995	31,353	(445,535)	---	(445,535)
Business-type activities:							
Sewer	217,316	167,153	---	---	---	(50,163)	(50,163)
Total primary government	\$ 849,533	\$ 249,487	\$ 72,995	\$ 31,353	\$ (445,535)	\$ (50,163)	\$ (495,698)
General revenues:							
Taxes:							
Ad valorem taxes					55,553	---	55,553
Sales and use taxes, levied for general purposes					361,407	---	361,407
Franchise taxes					55,720	---	55,720
Occupational licenses					144,981	---	144,981
Grants and contributions not restricted to specific programs -					---	---	---
State sources					42,519	---	42,519
Interest and investment earnings					6,218	4,360	10,578
Miscellaneous					5,462	---	5,462
Transfers					(55,000)	55,000	---
Total general revenues and transfers					616,860	59,360	676,220
Change in net assets					171,325	9,197	180,522
Net assets - July 1, 2003					1,808,080	1,201,877	3,009,957
Net assets - June 30, 2004					\$ 1,979,405	\$ 1,211,074	\$ 3,190,479

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

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

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.

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, as amended.

Authority has been granted to the Town of Lockport by the passage of a supplemental proposition by the electors of the Town at an election on April 7, 2001, to levy and collect an additional sales and use tax of three-tenths of

one percent (0.3%) in the manner and to the extent provided by La. R.S. 33:2721.6, et. seq., and other constitutional and statutory authority (the "Tax"), which, after paying the costs of collecting and administering the Tax, shall be used for any lawful municipal purposes, including, without limitation, constructing, improving and maintaining streets and drainage improvements, paying police department salaries and benefits, and acquiring, constructing, maintaining and operating police department facilities, vehicles and equipment, and shall the Town have the authority to fund the proceeds of the Tax into bonds to pay the costs of capital improvements, pursuant to La. R. S. 39:698.1 et. seq.

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, revenues which accumulates 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.

ENTERPRISE FUND

Sewer System
Fund

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

TOWN OF LOCKPORT

Balance Sheet
Governmental Funds
June 30, 2004

	General	Sales Tax Special Revenue	Building Maintenance Special Revenue	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 456,260	\$ 198,729	\$ 184,252	\$ 839,241
Receivables	17,833	---	2,539	20,372
Due from other governments	24,293	23,036	---	47,329
Due from other funds	---	---	---	---
Prepaid expenses	150	150	---	300
Prepaid taxes	831	---	---	831
Meter deposits	10	---	---	10
	<u>499,377</u>	<u>221,915</u>	<u>186,791</u>	<u>908,083</u>
Total assets	<u>\$ 499,377</u>	<u>\$ 221,915</u>	<u>\$ 186,791</u>	<u>\$ 908,083</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 8,344	\$ 1	\$ 56	\$ 8,401
Due to others	250	---	---	250
Due to other funds	592	---	2,743	3,335
	<u>9,186</u>	<u>1</u>	<u>2,799</u>	<u>11,986</u>
Total liabilities	<u>9,186</u>	<u>1</u>	<u>2,799</u>	<u>11,986</u>
Fund Balances -				
Unreserved				
Designated	-	80,000	---	80,000
Undesignated	490,191	141,914	183,992	816,097
	<u>490,191</u>	<u>221,914</u>	<u>183,992</u>	<u>896,097</u>
Total fund balances	<u>490,191</u>	<u>221,914</u>	<u>183,992</u>	<u>896,097</u>
Total liabilities and fund balances	<u>\$ 499,377</u>	<u>\$ 221,915</u>	<u>\$ 186,791</u>	<u>\$ 908,083</u>

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

TOWN OF LOCKPORT

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$ 896,097
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Total capital assets, net of depreciation	\$ 1,083,308	<u>1,083,308</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 1,979,405</u>

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

TOWN OF LOCKPORT

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2004

	General	Sales Tax Special Revenue	Building Maintenance Special Revenue	Total Governmental Funds
REVENUES:				
Ad valorem taxes	\$ 55,553	\$ ---	\$ ---	\$ 55,553
Fines and forfeits	43,012	---	---	43,012
Sales tax collections	83,402	278,005	---	361,407
Interest income	3,171	1,801	1,246	6,218
Intergovernmental	73,478	---	---	73,478
Licenses and permits	201,706	---	22,542	224,248
Leases	---	---	39,322	39,322
Donations	7,000	---	---	7,000
Other	8,671	---	---	8,671
Total revenues	475,993	279,806	63,110	818,909
EXPENDITURES:				
General and administrative	124,265	4,173	---	128,438
Streets and highways	109,949	---	---	109,949
Drainage	31,735	---	---	31,735
Public safety - police	263,341	---	---	263,341
Parks and recreation	6,496	---	---	6,496
Town hall complex	---	---	24,251	24,251
Capital outlays	169,495	---	2,998	172,493
Total expenditures	705,281	4,173	27,249	736,703
Excess (deficiency) of revenues over expenditures	(229,288)	275,633	35,861	82,206
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)				
Sales Tax Fund	179,000	---	---	179,000
General Fund	---	(179,000)	---	(179,000)
Sewer System Fund	---	(55,000)	---	(55,000)
Sale of Assets	---	---	---	---
Grants	39,633	---	---	39,633
Total other financing sources (uses):	218,633	(234,000)	---	(15,367)
Net changes in fund balances	(10,655)	41,633	35,861	66,839
Fund balances, beginning	500,846	180,281	148,131	829,258
Fund balances, ending	<u>\$ 490,191</u>	<u>\$ 221,914</u>	<u>\$ 183,992</u>	<u>\$ 896,097</u>

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

TOWN OF LOCKPORT

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004, per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 66,839
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Street project considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 26,359	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	172,493	
Depreciation expense for the year ended June 30, 2004	<u>(89,761)</u>	109,091
Disposal of assets		
Historical cost	62,718	
Accumulated Depr.	<u>(58,113)</u>	<u>(4,605)</u>
Total changes in net assets at June 30, 2004, per Statement of Activities		<u>\$ 171,325</u>

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

TOWN OF LOCKPORT

Statement of Net Assets
Proprietary Fund
June 30, 2004

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 262,692
Receivables	
Sewer	13,313
Prepaid expenses	147
Prepaid taxes	52
Due from other funds	<u>3,335</u>
Total Current Assets	<u>279,539</u>
Noncurrent Assets:	
Restricted Assets -	
Cash	
Sewer Revenue Bond Sinking Fund-LAMP	37,304
Sewer Revenue Reserve Fund-LAMP	118,802
Sewer Revenue Renewal and Replacement Fund - Certificate of Deposit	60,000
Capital Assets:	
Property, plant and equipment, net of accumulated depreciation	<u>1,905,622</u>
Total noncurrent assets	<u>2,121,728</u>
Total assets	<u>\$ 2,401,267</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 556
Bonds payable	55,333
Due to other funds	---
Payable from restricted assets -	
Bonds payable	27,667
Accrued interest	<u>9,637</u>
Total Current Liabilities	<u>93,193</u>
Noncurrent Liabilities:	
Bonds payable	<u>1,097,000</u>
Total liabilities	<u>1,190,193</u>
NET ASSETS	
Invested in capital assets, net of related debt	808,621
Restricted for long-term debt	92,637
Unrestricted	<u>309,816</u>
Total net assets	<u>\$ 1,211,074</u>

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

TOWN OF LOCKPORT

Statement of Revenues, Expenses and Changed in Fund Net Assets -
 Proprietary Fund
 For the Year ended June 30, 2004

OPERATING REVENUES:	
Charges for services	
Sewer fees	\$ 167,153
	<u>167,153</u>
Total operating revenues	<u>167,153</u>
OPERATING EXPENSES:	
General and administrative	22,218
Sewerage department	103,016
Depreciation	55,544
	<u>180,778</u>
Total operating expenses	<u>180,778</u>
Operating income (loss)	<u>(13,625)</u>
NONOPERATING REVENUES (EXPENSES):	
Interest income	4,360
Interest expense	(30,233)
Paying agent fees	(6,305)
	<u>(32,178)</u>
Total nonoperating revenues (expenses)	<u>(32,178)</u>
Income (loss) before operating transfers	<u>(45,803)</u>
OPERATING TRANSFERS IN (OUT):	
Sales tax fund	55,000
	<u>55,000</u>
Total operating transfers in (out)	<u>55,000</u>
Change in net assets	9,197
Net assets, beginning	<u>1,201,877</u>
Net assets, ending	<u>\$ 1,211,074</u>

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

TOWN OF LOCKPORT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Lafourche Parish Water District #1	164,986
Payments to vendors	(96,270)
Payments to employees	<u>(31,418)</u>
Net cash provided (used) by operating activities	37,298
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from sales tax	<u>55,000</u>
Net cash provided (used) by noncapital financing activities	<u>55,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest and paying agent fees	36,538
Bonds retired	81,000
Plant and Equipment	<u>---</u>
Net cash provided (used) by capital and related financing activities	<u>(117,538)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>4,360</u>
Net cash provided by investing activities	<u>4,360</u>
Net increase (decrease) in cash and cash equivalents	(20,880)
Cash and cash equivalents, beginning of period	<u>499,678</u>
Cash and cash equivalents, end of period	<u><u>\$ 478,798</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (13,625)
Adjusting to reconcile net income to net cash provided by operating activities:	
Depreciation	56,490
(Increase) decrease in:	
Accounts receivable	389
Prepaid expenses	---
Prepaid taxes	(52)
Due from other funds	(1,019)
Increase (decrease) in:	
Accounts payable	(4,224)
Due to other funds	---
Accrued liabilities	<u>(661)</u>
Net cash provided (used) by operating activities	<u><u>\$ 37,298</u></u>

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

TOWN OF LOCKPORT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Lockport (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Account Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Financial Reporting Entity

The Town of Lockport was incorporated May 10, 1899, under the provisions of act 136 (Lawrason Act) of 1898, State of Louisiana. The Town operates under a Mayor-Council 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 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. Basis of Presentation

Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The various funds of the Town are classified into two categories: governmental and proprietary.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation - Continued

All funds of the Town are displayed in a separate column and are described below:

Governmental Funds -

General Fund

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

Special revenue 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.

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, as amended.

Authority has been granted to the Town of Lockport by the passage of a supplemental proposition by the electors of the Town at an election on April 7, 2001, to levy and collect an additional sales and use tax of three-tenths of one percent (0.3%) in the manner and to the extent provided by La. R.S. 33:2721.6, et. seq., and other constitutional and statutory authority (the "Tax"), which, after paying the costs of collecting and administering the Tax, shall be used for any lawful municipal purposes, including, without limitation, constructing, improving and maintaining streets and drainage improvements, paying police department salaries and benefits, and acquiring, constructing,

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation - Continued

Sales Tax Fund - Continued

maintaining and operating police department facilities, vehicles and equipment, and shall the Town have the authority to fund the proceeds of the Tax into bonds to pay the costs of capital improvements, pursuant of La. R. S. 36:698.1 et. seq.

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, revenues 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.

Proprietary Fund -

Enterprise Fund

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.

3. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Measurement Focus/Basis of Accounting - Continued

Measurement Focus - Continued

assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

4. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statements of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Due to/from other funds

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Assets, Liabilities and Equity - Continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report utility service receivables as their major receivables.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 40	Years
Equipment	5 - 20	Years
Utility system and improvements	14 - 40	Years
Infrastructure	25 - 50	Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

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

Long-term debt

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

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Assets, Liabilities and Equity - Continued

Long-term debt - Continued

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

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.

Equity Classifications

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

6. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restriction of Use</u>
Sales Tax	See Note 2
Sewer Revenue	Debt Service
Building Lease Revenue	See Note 2

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

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Budget and Budgetary Accounting

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

1. Prior to June 15, the Town Clerk submits to the Mayor and Board of Councilman a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an appropriate ordinance 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 Town Council. Budget amendments and emergency expenditures follow the guidelines set forth under LSA-R.S. 39:1312-13.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Town Council. For year ended June 30, 2004, amendments were made to original budget on June 15, 2004.

8. Use of Estimates

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

9. Report Classification

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to the June 30, 2004 classifications.

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE B - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2004, the Town has implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Town's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. One of the more significant changes in Statement No. 34 include for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the Town's activities. The Town has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. The Town also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 37, Basic Financial Statements - And Management's Discussion and Analysis - for the State and Local Governments: Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and the Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditure in Governmental Funds Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 2003 to be restated in terms of "net assets" as follows:

Total fund balances - Governmental Funds - at June 30, 2003		\$ 829,256
Add: Cost of capital assets at June 30, 2003	\$ 2,125,700	
Less: Accumulated depreciation at June 30, 2003	<u>(1,146,876)</u>	<u>978,824</u>
Net assets at June 30, 2003		<u>\$ 1,808,080</u>

NOTE C - 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

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.*

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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

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.

Proceeds of the .3% sales and use tax are dedicated to any lawful municipal purpose.

Building Maintenance Fund -

Notwithstanding any other ordinance to the contrary, revenues 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 and any other buildings owned by the Town of Lockport.

NOTE D - CASH AND INTEREST-BEARING DEPOSITS

At June 30, 2004, bank deposits were comprised of:

Cash deposits - Insured	
(FDIC) Individual Fund	
Checking Accounts (Interest and Non-interest bearing)	\$ 178,446
Uninsured:	
Collateral held by Town's agent in Town's name	
Individual fund checking account	<u>60,770</u>
Total Bank Deposits	<u>\$ 239,216</u>

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE D - CASH AND INTEREST-BEARING DEPOSITS - Continued

	Carrying Amount	Account Value
Deposits in a pool managed by Louisiana Asset Management Pool	<u>\$ 1,157,068</u>	<u>\$ 1,157,068</u>
Total bank deposits and equivalents in financial institutions	<u>\$ 1,396,284</u>	

Interest earned on pooled deposits is allocated to participating funds based upon their combined cash balances.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

NOTE E - 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 Lafourche Parish Assessor's Office bills and the Lafourche Parish Sheriff collects and remits property taxes to the town 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, 2004, taxes of 8.26 mills were levied on property with assessed valuations totaling \$6,700,940 and were dedicated as follows:

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

Total taxes levied were \$55,349. At June 30, 2004, the Town had \$632 of property tax receivable.

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE E - RECEIVABLES - Continued

Other receivables

	General Fund	Special Revenue Funds	Proprietary Enterprise Funds	Total
Property Tax	\$ 632	\$ ---	\$ ---	\$ 632
Franchise Tax	14,042	---	---	14,042
Occupational Licenses	2,299	---	---	2,299
Accounts Receivable	860	2,539	13,313	16,712
	<u>\$ 17,833</u>	<u>\$ 2,539</u>	<u>\$ 13,313</u>	<u>\$ 33,685</u>

NOTE F - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2004, consisted of the following:

	Governmental Funds	
State of Louisiana		
Bureau of Justice Assistance	\$ 885	Grant
Department of Transportation	1,225	Maintenance Agreement
Department of Treasury	4,321	Parish Transportation Program
Department of Treasury	10,267	Shared Taxes
Lafourche Parish School Board	6,911	Sales Tax
Lafourche Parish Council	684	Off-track Betting
Lafourche Parish School Board	23,036	Sales Tax
	<u>\$ 47,329</u>	

NOTE G - RESTRICTED ASSETS - PROPRIETARY FUND TYPE

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, 2004:

	Sewer System Fund
Restricted Cash and cash equivalents:	
Sewer Revenue Bond Sinking Fund	\$ 37,304
Sewer Revenue Reserve Fund	118,802
Sewer Renewal and Replacement Fund	60,000
	<u>216,106</u>
Total restricted cash and cash equivalents	<u>\$ 216,106</u>

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance 07/01/03	Additions	Deletions	Balance 06/30/04
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 185,555	---	---	185,555
Other capital assets:				
Buildings	791,858	2,998	---	794,856
Infrastructure	752,170	89,180	10,791	830,559
Equipment	323,455	53,175	51,928	324,702
Park	72,662	7,178	---	79,840
Totals	<u>\$ 2,125,700</u>	<u>\$ 152,531</u>	<u>\$ 62,719</u>	<u>\$ 2,215,512</u>
Less accumulated depreciation				
Buildings	392,980	21,315	---	414,295
Infrastructure	555,394	29,171	6,758	577,807
Equipment	191,924	32,097	51,355	172,666
Park	6,578	7,178	---	13,756
Total accumulated depreciation	<u>1,146,876</u>	<u>89,761</u>	<u>58,113</u>	<u>1,178,524</u>
Governmental activities, capital assets, net	<u>\$ 978,824</u>	<u>\$ 62,770</u>	<u>\$ 4,606</u>	<u>\$ 1,036,988</u>
Business-type activities:				
Other capital assets:				
Sewer system	2,471,716	---	---	2,471,716
Machinery and equipment	22,223	---	---	22,223
Totals	<u>2,493,939</u>	<u>---</u>	<u>---</u>	<u>2,493,939</u>
Less accumulated depreciation				
Sewer system	517,473	55,353	---	572,826
Machinery and equipment	14,354	1,137	---	15,491
Total accumulated depreciation	<u>531,827</u>	<u>56,490</u>	<u>---</u>	<u>588,317</u>
Business-type activities, capital assets, net	<u>\$ 1,962,112</u>	<u>\$ 56,490</u>	<u>\$ ---</u>	<u>\$ 1,905,622</u>

Idle assets at June 30, 2004 have a historical cost of \$60,767 which has no book value due to being fully depreciated at July 1, 2003.

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE H - CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General government	\$ 12,738
Police	17,919
Streets	16,091
Drainage	19,843
Parks	3,456
Town Hall Complex	<u>19,714</u>
 Total depreciation expense	 <u>\$ 89,761</u>

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

Sewer	<u>56,490</u>
 Total depreciation expense	 <u>\$ 56,490</u>

NOTE I - CHANGES IN LONG-TERM DEBT

Proprietary Funds

Sewer Revenue Bonds, Series 1995, of the Town of Lockport, State of Louisiana (DEQ).

On December 1, 1996, the Town of Lockport issued Sewer Revenue bonds in the principal amount of \$1,770,000 to be amortized from March 1, 1997 to March 1, 2016 due in annual installments of \$69,000 to \$115,000; interest rate of 2.178620 percent. (This issue is to be paid from Sewer Revenue fees and \$80,000 pledged from Sales Tax Revenues.)

Bonds payable at July 1, 2003	\$ 1,261,000
Bonds added	---
Bonds retired	<u>81,000</u>
 Bonds payable at June 30, 2004	 <u>\$ 1,180,000</u>

Interest expense charged to business-type activity-sewer was \$36,538.

The annual requirements to amortize this debt as of June 30, 2004, including interest payments and administrative fees of \$275,589, are as follows (in thousands of dollars):

Year Ending June 30	
2005	118
2006	118
2007	118
2008	118
2009-2016	<u>942</u>
	 <u>\$ 1,414</u>

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE J - EMPLOYEE RETIREMENT

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 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 eleven percent as an employer's match. The Town's contribution to the System for the year ended June 30, 2004, was \$23,577 of which \$12,786 was contributed by the Town. The Town's total payroll in fiscal year 2004 was \$303,238, and the Town's contributions were based on a payroll of \$116,237. There were no related party transactions.

Year	Required Contributions	Percentage of Amount Contributed
2004	\$ 23,577	100
2003	18,983	100
2002	17,279	100

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, 2003. Report can be obtained from: Municipal Employee Retirement Systems of LA; 7937 Office Park Blvd.; Baton Rouge, LA 70809.

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

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE J - EMPLOYEE RETIREMENT - Continued

2. Policemen - Continued

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 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 fifteen and one quarter percent as an employer's match. The Town's contribution to the System for year ended June 30, 2004, was \$25,484, of which \$17,083 was contributed by the Town. The Town's total payroll in fiscal year 2004 was \$158,826 and the Town's contributions were based on a payroll of \$98,718 plus state supplemental pay of \$13,295. There were no related party transactions.

Year	Required Contributions	Percentage of Amount Contributed
2004	\$ 25,484	100
2003	17,096	100
2002	22,786	100

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, 2003. Reports can be obtained from: Municipal Police Retirement Systems of LA; 8401 Plaza Blvd.; Baton Rouge, LA 70809.

NOTE K - INTERFUND TRANSACTIONS

1. Receivable and Payables

	Receivable	Payable
General Fund	\$	592
Building Fund		2,743
Sewer Fund	3,335	
	\$ 3,335	\$ 3,335

TOWN OF LOCKPORT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE K - INTERFUND TRANSACTIONS - Continued

2. Transfers

Transfers consisted of the following at June 30, 2004:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 179,000	\$ ---
Sales Tax Special Revenue Fund	---	234,000
Proprietary Fund		
Enterprise Fund	55,000	
Total	\$ 234,000	\$ 234,000

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

NOTE L - CHANGES IN CONTRIBUTED CAPITAL

There were no changes in contributed capital in the Sewer System Enterprise Fund at June 30, 2004.

NOTE M - GRANTS

The following are grants received during the year ended June 30, 2004:

Grantor	Purpose	<u>Amount</u>
State of Louisiana		
Commission of Law Enforcement	Equipment	\$ 5,468
Bureau of Justice Assistance	Equipment	\$ 885
Executive Office	Drainage	\$ 25,000
South Central Planning	NHTSA Campaign	\$ 3,200

NOTE N - COMMITMENTS

The Town approved \$108,750 for the 2003 - 2004 street improvement project which will be paid out of town funds subsequent to June 30, 2004.

TOWN OF LOCKPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE O - CONTINGENT LIABILITIES

The Town of Lockport is not involved in any litigation.

NOTE P - OTHER REQUIRED DISCLOSURES

As of February, 2001, Lafourche Parish Water District #1 began billing and collecting sewer fees for the Town of Lockport. The Water District remits the fees to the Town, less an eight percent collection fee. The Town stopped billing as of December 31, 2000.

The aggregate dollar amount collected for Sewer Services during the year ended June 30, 2004 was \$167,153 for service to an average of 1,067 customers per month for 12 months resulting in an average monthly billing of \$13.06 per user. The number of users at the end of the fiscal year was 1,072.

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

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF LOCKPORT
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem tax				
Ad valorem tax	\$ 52,956	\$ 53,915	\$ 55,553	\$ 1,638
Sales tax	82,000	81,000	83,402	2,402
Fines and forfeits	32,000	36,000	43,012	7,012
Interest income	5,100	2,800	3,171	371
Intergovernmental				
Lafourche Parish Council				
Off-track betting	1,000	1,300	2,467	1,167
Alimony tax	6,900	7,656	7,656	---
State of Louisiana				
Beer tax	5,600	5,460	7,233	1,773
Parish Transportation Prog	17,000	19,000	20,853	1,853
State Maintenance Contract	2,448	2,448	2,449	1
Video Poker	30,000	26,000	32,820	6,820
Licenses and permits				
Franchises				
Callais Cablevision	10,750	11,000	11,365	365
Entergy	34,000	38,750	38,469	(281)
South Coast Gas	4,700	5,600	5,887	287
Occupational licenses	90,000	100,500	144,980	44,480
Building permits	600	840	1,005	165
Donations	5,000	7,000	7,000	---
Other	5,000	6,500	8,671	2,171
TOTAL REVENUES	\$ 385,054	\$ 405,769	\$ 475,993	\$ 70,224

(Continued next page)

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

TOWN OF LOCKPORT
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2004
 (Continued)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General and administrative				
Salaries	\$ 63,500	\$ 63,825	\$ 63,721	\$ 104
Accounting	1,500	2,000	2,233	(233)
Retirement	6,600	6,600	6,511	89
Conferences and travel	5,500	5,500	5,221	279
Utilities, phone and postage	6,600	6,600	6,087	513
Stationary, print & office exp	1,000	3,000	3,273	(273)
Legal and auditing	18,000	18,000	16,639	1,361
Insurance	10,000	20,000	9,518	10,482
Dues and subscriptions	1,200	2,000	2,003	(3)
Travel	1,600	1,500	1,265	235
Payroll expense	5,025	5,150	1,755	3,395
Rent expense	1,800	1,800	1,800	---
Bank charges	100	100	81	19
Sales tax collection fee	2,700	700	710	(10)
Other expense	5,650	5,000	3,448	1,552
Capital Outlays	5,000	6,500	11,057	(4,557)
Total General and administrative	135,775	148,275	135,322	12,953
Streets and highways				
Salaries	30,000	30,000	29,426	574
Retirement	1,800	3,300	3,122	178
Utilities, phone and postage	400	500	608	(108)
Insurance	6,800	7,600	7,853	(253)
Payroll expense	---	---	702	(702)
Vehicle expense	2,350	1,000	584	416
Maintenance and supplies	3,000	7,000	5,963	1,037
Street lights	25,000	29,000	28,704	296
Shells and blacktop	5,000	5,000	30,749	(25,749)
Other expense	5,750	6,500	2,238	4,262
Capital Outlays	165,000	184,500	19,401	165,099
Total Streets and highways	245,100	274,400	129,350	145,050

(Continued next page)

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

TOWN OF LOCKPORT
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2004
 (Continued)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Drainage				
Salaries	\$ 16,000	\$ 17,000	\$ 17,603	(603)
Retirement	1,800	1,875	2,375	(500)
Utilities, phone and postage	400	600	601	(1)
Insurance	4,100	5,300	5,372	(72)
Payroll expense	---	---	346	(346)
Vehicle expense	2,500	1,000	576	424
Maintenance and supplies	15,000	6,000	4,512	1,488
Other expense	500	500	350	150
Capital outlays	50,000	116,000	104,444	11,556
Total Drainage	90,300	148,275	136,179	12,096
Public safety - police				
Salaries	146,000	160,000	158,826	1,174
Retirement	25,000	24,400	17,412	6,988
Utilities, phone and postage	7,000	7,500	7,834	(334)
Insurance	32,500	35,000	34,939	61
Payroll expense	---	---	2,701	(2,701)
Office rent	7,200	7,200	7,200	---
Vehicle expense	13,000	20,000	16,030	3,970
Maintenance and supplies	8,800	12,000	11,427	573
Other expense	5,000	5,000	6,972	(1,972)
Capital outlays	20,000	29,000	27,415	1,585
Total Public Safety - police	264,500	300,100	290,756	9,344
Parks and recreation				
Salaries	9,000	2,725	2,244	481
Retirement	---	---	92	(92)
Utilities	2,000	1,750	2,210	(460)
Insurance	215	200	136	64
Payroll expense	---	---	90	(90)
Maintenance and supplies	2,000	500	1,392	(892)
Other	1,000	500	332	168
Capital outlays	4,000	9,500	7,178	2,322
Total Parks and recreation	18,215	15,175	13,674	1,501

(Continued next page)

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

TOWN OF LOCKPORT
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2004
 (Continued)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
TOTAL EXPENDITURES	\$ 753,890	\$ 886,225	\$ 705,281	\$ 180,944
Excess (deficiency) of revenues over expenditures	(368,836)	(480,456)	(229,288)	251,168
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
Sales Tax Fund	275,000	179,000	179,000	---
Grants	25,000	34,953	39,633	4,680
TOTAL OTHER FINANCING SOURCES (USES)	300,000	213,953	218,633	4,680
Net changes in fund balance	(68,836)	(266,503)	(10,655)	255,848
Fund balance, beginning	500,846	500,846	500,846	---
Fund balance, ending	\$ 432,010	\$ 234,343	\$ 490,191	\$ 255,848

(Concluded)

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

TOWN OF LOCKPORT
Sales Tax Fund

Budgetary Comparison Schedule
For the Year ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax collections	\$ 270,000	\$ 272,000	\$ 278,005	\$ 6,005
Interest income	2,600	1,725	1,801	76
TOTAL REVENUES	<u>272,600</u>	<u>273,725</u>	<u>279,806</u>	<u>6,081</u>
EXPENDITURES				
General and administrative				
Rent expense	2,700	2,700	1,800	900
Bank charges	50	50	---	50
Collection fee	2,300	2,325	2,373	(48)
Other	---	---	---	---
TOTAL EXPENDITURES	<u>5,050</u>	<u>5,075</u>	<u>4,173</u>	<u>902</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>267,550</u>	<u>268,650</u>	<u>275,633</u>	<u>6,983</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
General Fund	297,000	179,000	179,000	---
Sewer Fund	55,000	55,000	55,000	---
TOTAL OTHER FINANCING SOURCES (USES)	<u>(352,000)</u>	<u>(234,000)</u>	<u>(234,000)</u>	<u>---</u>
Net changes in fund balance	(84,450)	34,650	41,633	6,983
Fund balance, beginning	180,281	180,281	180,281	---
Fund balance, ending	<u>\$ 95,831</u>	<u>\$ 214,931</u>	<u>\$ 221,914</u>	<u>\$ 6,983</u>

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

TOWN OF LOCKPORT
Building Maintenance

Budgetary Comparison Schedule
For the Year ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Leases	\$ 35,770	\$ 39,202	\$ 39,322	\$ 120
Franchise Tax	20,000	22,542	22,542	---
Interest Income	775	1,100	1,246	146
TOTAL REVENUES	56,545	62,844	63,110	266
EXPENDITURES				
Town hall complex				
Utilities	12,000	13,500	12,647	853
Insurance	7,000	7,000	7,096	(96)
Maintenance and supplies	5,500	7,000	3,339	3,661
Other expenses	500	500	1,169	(669)
Capital Outlays	25,000	5,000	2,998	2,002
TOTAL EXPENDITURES	50,000	33,000	27,249	5,751
Excess (deficiency) of revenues over expenditures	6,545	29,844	35,861	6,017
OTHER FINANCING SOURCES (USES)				
Operating Transfers in (out):	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	---	---	---	---
Net changes in fund balance	6,545	29,844	35,861	6,017
Fund balance, beginning	148,131	148,131	148,131	---
Fund balance, ending	\$ 154,676	\$ 177,975	\$ 183,992	\$ 6,017

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

TOWN OF LOCKPORT
Sewer System Fund

Budgetary Comparison Schedule
For the Year ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
OPERATING REVENUES				
Charges for services				
Sewer fees	\$ 167,000	\$ 167,000	\$ 167,153	\$ 153
TOTAL OPERATING REVENUES	<u>167,000</u>	<u>167,000</u>	<u>167,153</u>	<u>153</u>
OPERATING EXPENSES				
General and administrative				
Salaries				
Administrative	5,600	5,700	5,708	(8)
Retirement	575	650	102	548
Utilities, phone and postage	---	---	---	---
Stationary, printing & office expense	100	100	---	100
Legal and auditing	---	---	---	---
Insurance	---	---	352	(352)
Payroll expense	1,000	1,000	45	955
Rent expense	1,800	1,800	1,650	150
Bank charges	100	25	56	(31)
Collection fee	13,500	13,500	13,358	142
Other expenses	100	100	947	(847)
Total General and administrative	<u>22,775</u>	<u>22,875</u>	<u>22,218</u>	<u>657</u>

(Continued next page)

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

TOWN OF LOCKPORT
Sewer System Fund
Budgetary Comparison Schedule
For the Year ended June 30, 2004
(Continued)

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Sewer department				
Salaries				
Plant operator	\$ 15,000	\$ 15,000	\$ 13,881	\$ 1,119
Plant maintenance	7,500	9,600	10,082	(482)
Line maintenance	5,500	3,000	1,747	1,253
Retirement	2,100	3,050	531	2,519
Utilities, phone and postage	30,000	33,000	33,325	(325)
Insurance	6,850	6,850	6,803	47
Payroll expense	---	---	287	(287)
Vehicle expense	2,200	2,000	1,740	260
Chemicals	6,500	12,000	10,032	1,968
User fee	---	---	3,296	(3,296)
NPDES permit	4,000	6,700	4,099	2,601
Plant maintenance	6,500	7,800	3,297	4,503
Sewerline maintenance	500	500	750	(250)
Equipment maintenance	25,000	8,000	5,046	2,954
Engineering fees	3,000	7,100	8,000	(900)
Other expense	5,000	2,000	100	1,900
Total Sewer department	119,650	116,600	103,016	13,584
Depreciation				
Sewer plant	47,000	48,000	47,702	298
Sewerlines	7,600	7,800	7,652	148
Equipment	2,000	1,200	190	1,010
Total Depreciation	56,600	57,000	55,544	1,456
TOTAL OPERATING EXPENSES	199,025	196,475	180,778	15,697
OPERATING INCOME (LOSS)	(32,025)	(29,475)	(13,625)	15,850

(Continued next page)

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

TOWN OF LOCKPORT
 Sewer System Fund
 Budgetary Comparison Schedule
 For the Year ended June 30, 2004
 (Continued)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	\$ 7,100	\$ 4,400	\$ 4,360	\$ (40)
Interest expense and paying agent fees	(40,000)	(38,000)	(36,538)	1,462
TOTAL NONOPERATING REVENUES (EXPENSES)	(32,900)	(33,600)	(32,178)	1,422
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(64,925)	(63,075)	(45,803)	17,272
OPERATING TRANSFERS IN (OUT)				
Sales tax fund	55,000	55,000	55,000	---
TOTAL OPERATING TRANSFERS	55,000	55,000	55,000	---
CHANGE IN NET ASSETS	(9,925)	(8,075)	9,197	17,272
Net assets, beginning	1,201,877	1,201,877	1,201,877	---
Net assets, ending	\$ 1,191,952	\$ 1,193,802	\$ 1,211,074	\$ 17,272

(Concluded)

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF LOCKPORT

COMPENSATION PAID TO MEMBERS OF THE GOVERNING COUNCIL
June 30, 2004

Name	Office	Salary Compensation	Per Diem *
Richard Champagne	Mayor/Councilman	6,000	-
Paul A. Champagne	Councilman	-	1,250
Donovan Barker	Councilman	-	1,150
Welden Triche	Councilman	-	1,150
Jackie Bonvillain	Councilman	-	1,050
Craig Rogers	Councilman	-	1,150
		<u>\$6,000</u>	<u>\$ 5,750</u>

* Per diem is paid at the rate of \$100.00 for attendance at one monthly regular meeting and \$50.00 for attendance per special meeting when called by the Town of Lockport.

TOWN OF LOCKPORT
SCHEDULE OF INSURANCE IN FORCE
June 30, 2004

Name of Insurer	Policy Period		Details of Coverage	Amount
	From	To		
Louisiana Municipal Risk Management Agency	01/01/04	- 12/31/04	Workmen's Compensation (Statutory)	100,000
Louisiana Municipal Risk Management Agency	09/21/03	- 09/21/04	1. Commercial General Liability 2. Premises/Operations 3. Products/Completed Operations Aggregate Limit Combined Single Limits Fire Damage Limit Medical Expense Limit	500,000 500,000 50,000 1,000 /Person 10,000 /Accident
			Deductible	- 0 -
Louisiana Municipal Risk Management Agency	09/21/03	- 09/21/04	Automobile Liability Liability Deductible	500,000 CSL - 0 -
Lafayette Insurance Company	09/23/03	- 09/23/04	Fire and extended coverage (buildings and contents): Town Hall Building Sewer Plant Deductible	600,000 / 10,000 80,000 25,000 500
Western Security Company	10/01/03	- 10/01/04	Fidelity bond - name schedule bond	5,000
Western Security Company	12/13/03	- 12/13/04	Fidelity bond - name schedule bond	5,000
Louisiana Municipal Risk Management Agency	09/21/03	- 09/21/04	Law Enforcement Personal Injury and PD Junior Police Deductible	500,000 CSL 1,000 ea. occurrence

(Continued)

TOWN OF LOCKPORT

SCHEDULE OF INSURANCE IN FORCE - Continued
 June 30, 2004

<u>Name of Insurer</u>	<u>Policy Period</u>		<u>Details of Coverage</u>	<u>Amount</u>
	<u>From</u>	<u>To</u>		
Louisiana Municipal Risk Management Agency	09/21/03	-09/21/04	Public Officials' Errors and Omission Liability Deductible	500,000 1,000 occurrence
Audubon Indemnity Company	09/21/03	-09/21/04	Commercial Auto Physical Damage Comp/Collision (schedule vehicles) Deductible (per unit)	ACV or Cost 500 Comprehensive Collision as scheduled

(Concluded)

TOWN OF LOCKPORT

MISCELLANEOUS STATISTICS (UNAUDITED)

June 30, 2004

Date of incorporation	May 10, 1899
Form of government	Mayor - Town Council
Area	1 square mile
Miles of street	18
Number of street lights owned by Entergy	283
Fire protection (volunteer firemen)	
Number of stations	1
Number of firemen	40
Police protection:	
Number of stations	1
<i>Number of policemen and officers</i>	5 Full Time 3 Part Time
Education:	
Attendance Centers:	
Junior High	1
Elementary	3
Number of classrooms	94
Number of teachers	166
Number of students	1,446
Municipal sewer department:	
Number of Consumers	1,136
Sanitary sewers	18 miles
<i>Building permits issued</i>	29
Recreation and culture:	
Number of parks	2 with 15 acres
Number of libraries	1
Number of volumes	14,650 (approx.)
Employees:	
Excluding policemen	5 Employees 5 Councilmen

Ann T. Hebert

Certified Public Accountant
901 Ridgefield Road
Thibodaux, Louisiana

(504) 446-0994

SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

TOWN OF LOCKPORT, LOUISIANA
For the Current Year Ended June 30, 2004

December 4, 2004

The June 30, 2004 audit report issued for the Town of Lockport, Louisiana is an unqualified opinion.

2004 - 1 Internal Control

During the year ended June 30, 2004, the Town obtained a new computer system. The new system is not designed to post recurring transactions that the old system posted. The current personnel will need assistance and/or technical training to correctly post accounting transactions necessary to prepare adjusted trial balances.

Also, for the year ended June 30, 2004, the Town was required to implement the new GASB reporting model. The current personnel will need assistance and/or technical training to correctly post transactions necessary to prepare adjusted trial balances under the new reporting requirements.

Management's Corrective Action Plan

The Town will hire someone to work in assisting personnel to correctly post accounting transactions necessary to prepare trial balances.

A management letter was not issued for June 30, 2004.

2003 - 1 Cash Management

As required by La. Rev. Stat. 39:1255, the amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposit insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

Finding

At June 30, 2003, as described in note B, the Town of Lockport's cash deposits exceeded the security pledged by \$78,603.

Resolved.