

TOWN OF LOCKPORT
LOCKPORT, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Year Ended
June 30, 2011



STAGNI & COMPANY, LLC

TOWN OF LOCKPORT
LOCKPORT, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2011

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TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Our discussion and analysis of the Town of Lockport's (The Town) financial performance provides an overview of financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The basic financial statements provide these insights into the results of this year's operations:

- Net assets increased 12% as a result of this year's operations. On a government-wide basis including all governmental activities and business-type activities, the assets exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$5.3 million.
- The governmental funds reported, on a current financial resource basis, combined ending fund balances of \$970,539, an increase of \$128,609 or 15% from the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$286,162, or 32% of total general fund expenditures.
- Net assets of our business-type activities increased by \$203,311 as a result of this year's operations. This increase was due to a new sales tax levied for the sewer fund. Operating revenues increased by \$102,858 (64%) to \$262,370 due to receiving \$105,166 in capital grants for sewer projects. Operating expenses also increased by \$58,411 (25%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The *Government-Wide Financial Statements* (GWFS) – The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of finances. *Fund Financial Statements* (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in the *INDEPENDENT AUDITOR'S REPORT*, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the *INDEPENDENT AUDITOR'S REPORT* carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Government-Wide Financial Statements

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

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

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not The Town as a whole. Some funds are required to be established by State laws or bond covenants.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund presentation is presented on a modified accrual basis of accounting. This is the manner in which the financial plan is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Proprietary Funds encompass enterprise funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

While the total columns on the proprietary fund financial statements for enterprise funds is the same as the business-type activities columns on the government-wide financial statements, the governmental major funds total column requires a reconciliation because of the different measurement focus.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements.

FINANCIAL ANALYSIS OF THE CENTER AS A WHOLE (GWFS)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. A Condensed Statement of Net Assets follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 905,093	\$ 963,450	\$ 108,349	\$ 151,798	\$1,013,442	\$1,115,248
Restricted Assets	-	-	197,760	179,368	197,760	179,368
Capital Assets	2,482,891	2,250,682	2,214,540	2,048,909	4,697,431	4,299,591
Total Assets	3,387,984	3,214,132	2,520,649	2,380,075	5,908,633	5,594,207
Current Liabilities	(65,446)	121,520	133,892	97,629	68,446	318,149
Non-current Liabilities	-	-	542,000	641,000	542,000	542,000
Total Liabilities	(65,446)	121,520	675,892	738,629	610,446	860,149
Invested in Capital Assets	2,482,891	2,250,682	1,474,780	1,407,909	3,957,671	3,658,591
Restricted	-	-	197,760	173,065	197,760	173,065
Unrestricted	970,539	841,930	172,217	60,472	1,142,756	902,402
Total Net Assets	\$3,453,430	\$3,092,612	\$1,844,757	\$1,641,446	\$5,298,187	\$4,734,058

On a government-wide basis, the assets of the Town exceeded its liabilities, resulting in total net assets at the close of the fiscal year of over \$3.4 million. The overall financial position increased during the year. Total net assets of the governmental activities increased by \$564,129 or 12% from the previous year, while total net assets of the business-type activities increased by \$203,311 or 12%.

Of the Town's total governmental net assets at the end of the fiscal year, \$970,539 or 28% is unrestricted and may be used to meet ongoing obligations to citizens and creditors. The balance in net assets represents the accumulated results of all past years' operations. By far the largest portion of the Town's net assets (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

infrastructure), net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed Statement of Activities follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program expenses:						
General government	\$ 298,270	\$ 273,066	\$ -	\$ -	\$ 298,270	\$ 273,066
Streets and Highways	84,432	120,507	-	-	84,432	120,507
Drainage	70,859	58,430	-	-	70,859	58,430
Public Safety	438,180	432,968	-	-	438,180	432,968
Culture and recreation	23,173	21,797	-	-	23,173	21,797
Sewer			288,519	230,108	288,519	230,108
Total Expenses	914,914	906,768	288,519	230,108	1,203,433	1,136,876
Program Revenues:						
Charges for Services	346,070	345,157	157,204	159,512	503,274	504,669
Operating grants & contributions	25,440	61,963	-	-	25,440	61,963
Capital grants & contributions	113,195	34,291	105,166	-	218,361	34,291
Total Program Revenues	484,705	441,411	262,370	159,512	747,075	600,923
Net Program Income	(430,209)	(465,357)	(26,149)	(70,596)	(456,358)	(535,953)
General Revenues:						
Ad valorem taxes	61,426	65,772	-	-	61,426	65,772
Sales Taxes	425,455	359,919	228,976	-	654,431	359,919
Other Taxes	59,738	107,736	-	-	59,738	107,736
Other	233,390	32,236	484	28,635	233,874	60,871
Total General Revenues	780,009	565,663	229,460	28,635	1,009,469	594,298
Increase/(decrease) in net assets before transfers	349,800	100,306	203,311	(41,961)	553,111	58,345
Transfers (out) in:	-	(257,000)	-	257,000	-	-
Increase/(decrease) in net assets	349,800	(156,694)	203,311	215,039	553,111	58,345
Net Assets:						
Beginning of the year	3,103,630	3,249,306	1,641,446	1,426,407	4,745,076	4,675,713
End of the year	\$3,453,430	\$3,092,612	\$1,844,757	\$1,641,446	\$5,298,187	\$4,734,058

A total of 43% of the revenues from governmental activities were derived from various taxes followed by 11% operating and capital grants and contributions, and 27% for charges for services. Overall expenses in governmental activities increased slightly by

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

less than 1% or \$8,146 with a significant decrease in general government services and increase in streets and highway repairs and maintenance..

All of the operating revenue in business-type activities was received for sewer fees (\$157,204) was for charges for services provided for sewer disposal and maintenance. Other revenue received was for a capital grant and \$228,976 was collected this year for a .7% sales tax levied. Overall expenses in the business-type activities increased by 25% or a little over \$58,000.

FINANCIAL ANALYSIS OF FUNDS (FUND FINANCIAL STATEMENTS)

As noted earlier, The Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for funding future operational needs.

Governmental funds reported a combined ending fund balance of \$970,539. This reflected an increase of \$128,609 or 15%. This increase is primarily the result of the events and programs described within the analysis of its governmental activities.

If the assets, liabilities, revenues or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as a major governmental fund in the accompanying fund financial statements. Following is a discussion of the Town's major funds:

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance totaled \$286,162. The fund balance of the General Fund decreased by 34% during the current fiscal year. There was over a 10% revenue increase but consequently larger increases in current and capital outlay expenditures and less transferred to the General Fund for operations, led to the decrease in fund balance.

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. At the end of the current fiscal year, fund balance assigned for expenditures designated by the ordinance that levied that tax totaled \$571,857 – an increase of 83% from the prior year. The total revenue collected for Sales Taxes increased by 18%. There was a significant decrease in the amount transferred out to the other funds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

The Building Maintenance Fund accounts for the receipt and use of proceeds from lease and/or rental of the Town Hall Complex. At the end of the current fiscal year, unreserved fund balance totaled \$112,520 – also an increase of 23% from the prior year.

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Fees and charges for services in the Sewer Fund were over \$157, 000. This was the initial year of recognizing the .7% sales taxes collected for sewer repairs and improvements and was recorded as non-operating revenue of \$228,976. Total operating expenses for providing sewer services of \$267,947 resulted in an operating loss of \$26,149. Net assets for the Sewer Fund at June 30, 2011 were \$1,844,757, an increase of \$203,311 from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised to reflect a net increase of \$27,216. Supplemental appropriations or authorized budget amendments were necessary and approved as follows:

	Budgeted Amounts		Increase
	Original	Final	(Decrease)
REVENUES			
Ad Valorem Taxes	\$ 66,000	\$ 66,000	\$ -
Sales and Use Taxes	84,000	98,811	14,811
Franchise Taxes	54,500	58,941	4,441
Licenses and Permits	181,500	181,683	183
Intergovernmental	53,950	169,860	115,910
Fines and Forfeitures	63,000	65,945	2,945
Other	8,800	16,976	8,176
	511,750	658,216	146,466
EXPENDITURES			
General government			
Current	199,065	196,349	(2,716)
Public safety			
Current	399,167	423,070	23,903
Capital Outlay	-	10,504	10,504
	399,167	433,574	34,407

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Streets and Highways			
Current	91,491	65,561	(25,930)
Capital outlay	-	104,252	104,252
	91,491	169,813	78,322
Drainage			
Current	38,765	34,170	(4,595)
Capital outlay	-	52,612	52,612
	38,765	86,782	48,017
Culture and Recreation			
Current	11,970	13,695	1,725
OTHER FINANCING SOURCES (USES)			
Transfers In - Sales Tax Fund	32,000	72,504	40,504
Net changes in fund balances	\$(196,708)	\$(169,493)	\$ 27,215

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2011 and 2010 was \$4,697,336 and \$4,299,591 respectively.

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 404,656	\$ 229,656	\$ -	\$ -	\$ 404,656	\$ 229,656
Construction in Progress	48,696	43,073	92,441	120,091	141,137	163,164
Buildings	1,273,006	1,245,897	-	-	1,273,006	1,245,897
Drainage	1,953,188	1,811,022	-	-	1,953,188	1,811,022
Autos & Trucks	430,386	423,399	-	-	430,386	423,399
Parks	121,190	121,190	-	-	121,190	121,190
Sewer System	-	-	3,096,064	2,830,600	3,096,064	2,830,600
Equipment and Machinery	-	-	58,607	58,607	58,607	58,607
Total Cost	4,231,122	3,874,237	3,247,112	3,009,298	7,478,234	6,883,535
Accumulated Depreciation	1,748,231	1,623,555	1,032,667	960,389	2,780,898	2,583,944
Net Capital Assets	\$ 2,482,891	\$2,250,682	\$2,214,445	\$2,048,909	\$4,697,336	\$4,299,591
Depreciation Expense	\$ 124,680	\$ 119,488	\$ 72,182	\$ 74,545	\$ 196,862	\$ 194,033

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

This year there was \$468,435 of capital additions (including \$111,547 transferred from construction in progress) in the governmental funds and \$265,463 in the business-type fund for building improvements and equipment, reflecting the net increase in capital assets before depreciation.

More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

LONG-TERM DEBT

On December 1, 1996 the Town issued Sewer Revenue Bonds Series 1995 in the amount of \$1,770,000 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at June 30, 2011 are \$542,000 repayable through 2016 at an interest rate of 2.45% plus a .5% annual administration fee. The Town paid \$99,000 in principal and \$18,909 in interest in this current year on these bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered when budgeting for the next fiscal year. Possible new laws and regulations, increased rates and fees that would be charged, and possible new grant funding sources were all considered.

Historically, the office staff and cost remain relatively stable and should continue to do so. The Town is anticipating more capital expenditures in the next fiscal year.

Highlights of next year's General fund budget include:

Beginning Fund Balance	\$	265,307
Projected Revenue		549,231
Projected Expenditures		(777,776)
Projected Other financing sources		247,000
Ending Fund Balance	\$	<u>283,762</u>

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Gerard Leonard, Town Clerk
Town of Lockport
710 Church Street
Lockport, LA 70374
985-532-3117



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Lockport, Louisiana (the Town) as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Lockport, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Lockport, Louisiana as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Thibodaux, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2011, on our consideration of the Town of Lockport, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion & Analysis and Required Supplemental Information, as listed in the foregoing table of contents, are not a required part of the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The accompanying financial information listed in the supplementary information section, except for the information contained in the Schedule of Insurance in Force, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Insurance in Force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Stagni & Company

Thibodaux, LA
December 8, 2011



BASIC FINANCIAL STATEMENTS

TOWN OF LOCKPORT, LOUISIANA
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 425,341	\$ 35,597	\$ 460,938
Investments	362,610	92	362,702
Receivable	18,173	-	18,173
Due from other governments	94,960	72,513	167,473
Other assets	4,009	147	4,156
Restricted assets:			
Investments	-	197,760	197,760
Capital assets:			
Non-depreciable	453,352	92,441	545,793
Depreciable, net	2,029,539	2,122,099	4,151,638
TOTAL ASSETS	<u>3,387,984</u>	<u>2,520,649</u>	<u>5,908,633</u>
LIABILITIES			
Accounts payable and accrued expenses	59,304	8,992	68,296
Deferred revenues	150	-	150
Due to others	(124,900)	124,900	-
Non-current liabilities:			
Due within one year	-	102,000	102,000
Due in more than one year	-	440,000	440,000
TOTAL LIABILITIES	<u>(65,446)</u>	<u>675,892</u>	<u>610,446</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,482,891	1,474,780	3,957,671
Restricted for:			
Debt service	-	197,760	197,760
Unrestricted	970,539	172,217	1,142,756
TOTAL NET ASSETS	<u>\$ 3,453,430</u>	<u>\$ 1,844,757</u>	<u>\$ 5,298,187</u>

See notes to financial statements.

TOWN OF LOCKPORT, LOUISIANA
Statement of Activities
As of and for the year ended June 30, 2011

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Assets			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 298,270	\$ 277,034	\$ 265	\$ 113,145	\$ 92,174	\$ -	\$ 92,174
Street and highways	84,432	3,015	25,175	-	(56,242)	-	(56,242)
Drainage	70,859	-	-	-	(70,859)	-	(70,859)
Public Safety	438,180	66,021	-	50	(372,109)	-	(372,109)
Culture and recreation	23,173	-	-	-	(23,173)	-	(23,173)
Total governmental activities	914,914	346,070	25,440	113,195	(430,209)	-	(430,209)
Business-type activities							
Sewer	288,519	157,204	-	105,166	-	(26,149)	(26,149)
Total primary government	\$ 1,203,433	\$ 503,274	\$ 25,440	\$ 218,361	(430,209)	(26,149)	(456,358)
General Revenues:							
Property taxes					61,426	-	61,426
Sales taxes					425,455	228,976	654,431
Franchise taxes					59,738	-	59,738
Grants and contributions not restricted to specific programs					12,302	-	12,302
Unrestricted investment earnings					555	484	1,039
Other					220,533	-	220,533
Change in net assets					780,009	229,460	1,009,469
Net assets - beginning as restated					349,800	203,311	553,111
Net assets - ending					3,103,630	1,641,446	4,745,076
					\$ 3,453,430	\$ 1,844,757	\$ 5,298,187

See notes to the financial statements.

TOWN OF LOCKPORT, LOUISIANA
Balance Sheet - Governmental Funds
June 30, 2011

	General Fund	Sales Tax Fund	Building Maintenance Fund	Total
ASSETS				
Cash and cash equivalents	\$ 82,434	\$ 292,045	\$ 50,862	\$ 425,341
Investments	189,524	100,893	72,193	362,610
Receivables:				
Accounts receivable	17,173	-	1,000	18,173
Intergovernmental	42,041	52,919	-	94,960
Other assets	3,859	150	-	4,009
TOTAL ASSETS	\$ 335,031	\$ 446,007	\$ 124,055	\$ 905,093
LIABILITIES				
Accounts payable and accrued liabilities	\$ 58,572	\$ -	\$ 732	\$ 59,304
Deferred revenue	-	-	150	150
Due (from)/ to other funds	(9,703)	(125,850)	10,653	(124,900)
TOTAL LIABILITIES	48,869	(125,850)	11,535	(65,446)
FUND BALANCES				
Assigned to:				
Sales Taxes	-	571,857	-	571,857
Building Maintenance	-	-	112,520	112,520
Unassigned	286,162	-	-	286,162
TOTAL FUND BALANCES	286,162	571,857	112,520	970,539
TOTAL LIABILITIES AND FUND BALANCES	\$ 335,031	\$ 446,007	\$ 124,055	

RECONCILIATION TO THE STATEMENT OF NET ASSETS:

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:

Non-depreciable capital assets	453,352	
Depreciable capital assets	3,777,770	
Accumulated depreciation	(1,748,231)	2,482,891

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 3,453,430

TOWN OF LOCKPORT, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
As of and for the year ended June 30, 2011

	General Fund	Sales Tax Fund	Building Maintenance Fund	Total
REVENUES				
Taxes	\$ 219,339	\$ 327,280	\$ -	\$ 546,619
Licenses and permits	169,094	-	-	169,094
Intergovernmental	182,566	-	-	182,566
Fines and forfeitures	66,021	-	-	66,021
Other	17,416	265	99,084	116,765
TOTAL REVENUE	<u>654,436</u>	<u>327,545</u>	<u>99,084</u>	<u>1,081,065</u>
EXPENDITURES				
Current:				
General government	193,105	4,671	54,138	251,914
Public safety	425,477	-	-	425,477
Streets and highways	65,653	-	-	65,653
Drainage	33,514	-	-	33,514
Recreation	14,470	-	-	14,470
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	148,589	-	23,857	172,446
TOTAL EXPENDITURES	<u>880,808</u>	<u>4,671</u>	<u>77,995</u>	<u>963,474</u>
Revenue over (under) expenditures	(226,372)	322,874	21,089	117,591
OTHER FINANCING SOURCES (USES)				
Transfers In	62,000	-	-	62,000
Transfers Out	-	(62,000)	-	(62,000)
Total other financing sources (uses)	62,000	(62,000)	-	-
Net changes in fund balances	(164,372)	260,874	21,089	117,591
FUND BALANCES				
Beginning of year as restated	450,534	310,983	91,431	852,948
End of year	<u>\$ 286,162</u>	<u>\$ 571,857</u>	<u>\$ 112,520</u>	<u>\$ 970,539</u>

See notes to financial statements.

TOWN OF LOCKPORT, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
As of and for the year ended June 30, 2011

Net change in fund balances - total governmental funds \$ 117,591

Amounts reported for *governmental activities* in the statement of activities are 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.

Capital outlay	\$ 172,446	
Adjustments fo Capital Assets	184,443	
Depreciation expense		
General government	(47,150)	
Streets and highways	(18,779)	
Drainage	(37,345)	
Public safety	(12,703)	
Culture and recreation	(8,703)	
	(124,680)	
		232,209

Change in net assets of governmental activities \$ 349,800

TOWN OF LOCKPORT, LOUISIANA
Budget Comparison Schedule - General Fund
As of and for the year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem	\$ 66,000	\$ 66,000	\$ 61,426	\$ (4,574)
Sales and Use	84,000	98,811	98,175	(636)
Franchise:				
Entergy	36,500	40,477	41,060	583
South Coast Gas	5,000	5,000	5,135	135
Vision Communications	13,000	13,464	13,543	79
Licenses and Permits:				
Occupational Licenses	180,000	180,000	167,495	(12,505)
Building Permits	1,500	1,683	1,599	(84)
Intergovernmental:				
Federal -				
Disaster Relief	-	99,595	113,145	13,550
State of Louisiana:				
Parish Transportation Program	20,000	24,283	22,515	(1,768)
Beer Taxes	5,000	5,390	5,381	(9)
Video Poker	20,000	29,347	29,223	(124)
State Maintenance Contract	2,450	2,450	2,660	210
Other Police	4,200	3,549	3,809	260
State Grants	-	3,028	4,302	1,274
Lafourche Parish Council:				
Off Track Betting	2,300	2,218	1,531	(687)
Fines and Forfeitures	63,000	65,945	66,021	76
Other:				
Donations - Lockport Fall Food Festival	8,000	8,000	8,000	-
Donations - Police Department	-	-	50	50
Interest Earned	700	488	426	(62)
Other	100	8,488	8,940	452
Total Revenues	<u>511,750</u>	<u>658,216</u>	<u>654,436</u>	<u>(3,780)</u>
EXPENDITURES				
Executive/Administration				
Current:				
Salaries	94,978	98,442	98,855	(413)
Payroll Benefits	10,491	9,720	9,755	(35)
Retirement	4,921	5,573	5,638	(65)
Dues and subscriptions	3,700	3,848	3,128	720
Utilities, phone and postage	5,800	6,611	6,398	213
Rent	1,800	1,800	1,800	-
Vehicle Costs	2,500	626	469	157
Professional fees	42,000	40,000	40,357	(357)
Accounting	3,000	2,000	1,875	125
Bank Charges	600	690	564	126
Insurance	7,875	4,941	4,675	266
Office & maintenance supplies	10,000	11,574	10,304	1,270
Conferences	8,000	8,000	4,686	3,314
Sales tax Collection Fee	-	2,500	4,576	(2,076)
Other Expenses	3,400	24	25	(1)
Total current expenditures	<u>199,065</u>	<u>196,349</u>	<u>193,105</u>	<u>3,244</u>
Capital outlay	-	-	-	-
Total Executive/Administration	<u>199,065</u>	<u>196,349</u>	<u>193,105</u>	<u>3,244</u>

TOWN OF LOCKPORT, LOUISIANA
Budget Comparison Schedule - General Fund
As of and for the year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Public safety				
Current:				
Salaries	215,184	216,123	216,470	(347)
Fees paid to witnesses and other agencies	4,300	5,298	4,982	316
Payroll Benefits	31,415	31,648	31,652	(4)
Retirement	48,227	56,889	56,973	(84)
Dues and subscriptions	400	440	810	(370)
Utilities, phone and postage	9,000	9,117	12,622	(3,505)
Office Rent	7,200	7,200	7,200	-
Vehicle Costs	32,500	38,579	39,666	(1,087)
Insurance	29,665	31,797	30,245	1,552
Office & maintenance supplies	11,000	14,512	13,491	1,021
Conferences	4,520	3,932	3,461	471
Other	756	840	861	(21)
Uniforms - AMO	5,000	6,695	7,044	(349)
Total current expenditures	399,167	423,070	425,477	(2,407)
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total debt service	-	-	-	-
Capital Outlay	-	10,504	6,990	3,514
Total Public Safety - Police	399,167	433,574	432,467	1,107
Streets and Highways				
Current:				
Salaries	26,900	13,383	13,513	(130)
Payroll Benefits	4,920	4,636	4,627	9
Retirement	3,833	1,888	1,908	(20)
Utilities, phone and postage	988	922	974	(52)
Street Lights	31,900	26,656	30,833	(4,177)
Vehicle Costs	2,391	1,891	2,513	(622)
Repairs and maintenance	3,400	2,648	2,341	307
Insurance	5,059	4,429	4,101	328
Maintenance and supplies	6,600	3,898	3,267	631
Shells and Blacktop	5,000	5,000	1,368	3,632
Other	500	210	208	2
Total current expenditures	91,491	65,561	65,653	(92)
Capital outlay	-	104,252	104,252	-
Total Streets and Highways	91,491	169,813	169,905	(92)
Drainage				
Current:				
Salaries	19,800	16,804	16,274	530
Payroll Benefits	4,803	4,674	4,665	9
Retirement	2,822	2,372	2,302	70
Utilities, phone and postage	910	922	974	(52)
Vehicle Costs	2,000	1,905	1,739	166
Repairs and maintenance	1,800	21	16	5
Insurance	4,130	3,282	3,177	105
Maintenance and supplies	2,500	3,609	3,323	286
Other Expenses	-	581	1,044	(463)
Total current expenditures	38,765	34,170	33,514	656
Capital outlay	-	52,612	36,493	16,119
Total Drainage	38,765	86,782	70,007	16,775

TOWN OF LOCKPORT, LOUISIANA
Budget Comparison Schedule - General Fund
As of and for the year ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Culture and Recreation				
Current:				
Salaries	5,225	6,896	6,977	(81)
Payroll Benefits	86	64	63	1
Retirement	745	951	968	(17)
Utilities, phone and postage	3,400	3,268	3,457	(189)
Insurance	414	412	400	12
Maintenance and supplies	2,000	1,486	1,986	(500)
Other Expenses	100	618	619	(1)
Total current expenditures	<u>11,970</u>	<u>13,695</u>	<u>14,470</u>	<u>(775)</u>
Capital outlay	-	-	854	(854)
Total Culture and Recreation	<u>11,970</u>	<u>13,695</u>	<u>15,324</u>	<u>(1,629)</u>
Total Expenditures:				
Current	740,458	732,845	732,219	626
Debt Service	-	-	-	-
Capital Outlay	-	167,368	148,589	18,779
	<u>740,458</u>	<u>900,213</u>	<u>880,808</u>	<u>19,405</u>
Revenues over (under) expenditures)	<u>(228,708)</u>	<u>(241,997)</u>	<u>(226,372)</u>	<u>15,625</u>
OTHER FINANCING SOURCES (USES)				
Transfers In - Sales Tax Fund	32,000	72,504	62,000	(10,504)
Total other financing sources (uses)	<u>32,000</u>	<u>72,504</u>	<u>62,000</u>	<u>(10,504)</u>
Net changes in fund balances	<u>(196,708)</u>	<u>(169,493)</u>	<u>(164,372)</u>	<u>5,121</u>
FUND BALANCES				
Beginning of year as restated	434,802	434,802	450,534	15,732
End of year	<u>\$ 238,094</u>	<u>\$ 265,309</u>	<u>\$ 286,162</u>	<u>\$ 20,853</u>

TOWN OF LOCKPORT
Budget Comparison Schedule - Sales Tax Fund
As of and for the year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - sales and use	\$ 275,200	\$ 329,370	\$ 327,280	\$ (2,090)
Interest Earned	360	311	265	(46)
TOTAL REVENUES	<u>275,560</u>	<u>329,681</u>	<u>327,545</u>	<u>(2,136)</u>
EXPENDITURES				
General Government - Current:				
Rent expense	1,800	1,800	1,800	-
Collection Fee	2,477	2,964	2,871	93
TOTAL EXPENDITURES	<u>4,277</u>	<u>4,764</u>	<u>4,671</u>	<u>93</u>
Revenues over (under) expenditures	<u>271,283</u>	<u>324,917</u>	<u>322,874</u>	<u>(2,043)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out:				
General Fund	(32,000)	(62,000)	(62,000)	-
Total other financing sources (uses)	<u>(32,000)</u>	<u>(62,000)</u>	<u>(62,000)</u>	<u>-</u>
Net change in fund balance	<u>239,283</u>	<u>262,917</u>	<u>260,874</u>	<u>(2,043)</u>
FUND BALANCES				
Beginning of year	310,983	310,983	310,983	-
End of year	<u>\$ 550,266</u>	<u>\$ 573,900</u>	<u>\$ 571,857</u>	<u>\$ (2,043)</u>

TOWN OF LOCKPORT
Budget Comparison Schedule - Building Maintenance Fund
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rental Income	\$ 69,809	\$ 69,481	\$ 71,805	\$ 2,324
Interest Earned	120	142	129	(13)
Other	-	151	27,150	26,999
TOTAL REVENUES	<u>69,929</u>	<u>69,774</u>	<u>99,084</u>	<u>29,310</u>
EXPENDITURES				
General Government:				
Current:				
Salaries	6,800	9,525	10,624	(1,099)
Payroll Benefits	113	381	387	(6)
Retirement	969	739	904	(165)
Utilities	15,400	14,173	15,804	(1,631)
Repairs and maintenance	6,800	6,362	6,646	(284)
Insurance	14,400	14,014	14,096	(82)
Maintenance and Supplies	1,200	227	5,677	(5,450)
	<u>45,682</u>	<u>45,421</u>	<u>54,138</u>	<u>(8,717)</u>
Capital Outlay	-	22,540	23,857	(1,317)
TOTAL EXPENDITURES	<u>45,682</u>	<u>67,961</u>	<u>77,995</u>	<u>(10,034)</u>
Revenues over (under) expenditures	<u>24,247</u>	<u>1,813</u>	<u>21,089</u>	<u>19,276</u>
FUND BALANCES				
Beginning of year	91,431	91,431	91,431	-
End of year	<u>\$ 115,678</u>	<u>\$ 93,244</u>	<u>\$ 112,520</u>	<u>\$ 19,276</u>

TOWN OF LOCKPORT, LOUISIANA
Statement of Net Assets - Proprietary Fund
June 30, 2011

	Business-Type Activities
ASSETS	Enterprise Fund
Current assets:	
Cash and cash equivalents	\$ 35,597
Investments	92
Due from other governmental units	72,513
Other assets	147
Total current assets	108,349
Noncurrent assets:	
Restricted assets -	
Investments	197,760
Capital Assets	
Non-depreciable	92,441
Depreciable, net	2,122,099
Net capital assets	2,214,540
Total noncurrent assets	2,412,300
TOTAL ASSETS	2,520,649
 LIABILITIES	
Current liabilities:	
Payable from current assets -	
Accrued liabilities	8,992
Due to other funds	124,900
Total Payable from current assets	133,892
Payable from restricted assets:	
Bonds payable within one year	102,000
Total payable from restricted assets	102,000
Total current liabilities	235,892
Non-current liabilities	
Revenue bonds payable	440,000
TOTAL LIABILITIES	675,892
 NET ASSETS	
Invested in capital assets, net of related debt	1,474,780
Restricted for debt service	197,760
Unrestricted	172,217
TOTAL NET ASSETS	\$ 1,844,757

TOWN OF LOCKPORT, LOUISIANA
Statement of Revenues, Expenses and Changes in Fund Net Assets
As of and for the year ended June 30, 2011

	Business-Type Activities
	Enterprise Fund
OPERATING REVENUES	
Sewer fees charged	\$ 157,204
OPERATING EXPENSES:	
Salaries	48,251
Payroll benefits	185
Retirement	6,527
Utilities, Phone & Postage	44,970
Insurance	8,365
Vehicle costs	4,207
Chemicals	8,099
Repairs and maintenance	50,783
Collection fees	20,780
Other	3,598
Depreciation	72,182
	267,947
Operating income (loss)	(110,743)
NON-OPERATING REVENUE (EXPENSES):	
Sales tax revenue	228,976
Investment Income	484
Intergovernmental	105,166
Interest and fiscal charges	(20,572)
	314,054
Income (loss) before transfers	203,311
NET ASSETS:	
Beginning of year	1,641,446
End of year	\$ 1,844,757

TOWN OF LOCKPORT, LOUISIANA
Statement of Cash Flows - Proprietary Fund
As of and for the year ended June 30, 2011

	Business-Type Activities
	Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	\$ 157,204
Cash payments to suppliers for goods and services	(146,041)
Cash payments made to employees for services and benefits	(54,963)
Net cash provided (used) by operating activities	(43,800)
Cash flows from noncapital financing activities:	
Sales taxes	228,976
Proceeds from intergovernmental grants	105,166
Net cash provided (used) by noncapital financing activities	334,142
Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	(104,000)
Interest paid on revenue bonds	(20,572)
Purchase of capital assets and completion of projects	(234,354)
Net cash provided (used) for capital and related financing activities	(358,926)
Cash flows from investing activities:	
Interest and dividends on investments	484
Net cash provided (used) by investing activities	484
Net increase (decrease) in cash and cash equivalents	(68,100)
Cash and cash equivalents at the beginning of year	301,549
Cash and cash equivalents at the end of year	\$ 233,449
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (110,743)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	72,182
Changes in assets and liabilities:	
(Increase) decrease in due from other funds	2,582
(Increase) decrease in due from other governments	45,625
Increase (decrease) in accounts payable	41,000
Increase (decrease) in retainages payable	(5,440)
Increase (decrease) in due to other funds	(89,006)
Total adjustments	66,943
Net cash provided (used) by operating activities	\$ (43,800)

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, parking fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. Available has been defined as received within 60 days. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The following is a description of the major funds of the Town of Lockport:

Governmental funds:

- *General Fund* - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General fund is always a major fund.
- *Special Revenue Funds* - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special revenue funds reported as major funds in the fund financial statements are as follows:

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 the tax are to be used for the purposes 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 the Town, or for any one or more of said purposes; and such tax to be subject to funding into bonds by the Town in the manner authorized by Sub-Part D, Part 1, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:2271, et seq.).

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

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 collation 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 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.

The Council Called a special election on February 23, 2010 to authorize the levy and collection of a 7% Sales & Use Tax for the Town of Lockport intended primarily for the operation of the sewer plant. The sales tax could be used for other improvements such as streets, drainage, and maintenance of sewer lines. In addition, the tax revenues could, in the future, be bonded in order to finance projects.

Building Maintenance Fund - To account for the receipt and use of proceeds from lease and/or rental of Town facilities. 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 facilities.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Proprietary Funds

Enterprise Funds –are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the enterprise fund reported as a major fund in the fund financial statements is as follows:

Sewer Fund – To account of the provision of sewer 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.

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

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

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

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services.

Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Accounting 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 statement and the reported amounts of revenues and expenditures during the reporting period. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents and Investments

Cash includes amounts in regular and money market accounts.

State law limits investments in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. The state investment pool (LAMP) operates in accordance with state laws and regulations. It is the Town's policy to limit its investments in these investment types. Investment policies are governed by state statutes and bond covenants.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Cash and Cash Equivalents and Investments (continued)

For purposes of the statement of cash flows, cash and cash equivalents include the investment in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool, which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. Accordingly, the fair value of the Town's position in LAMP is the same as the value of its pool shares.

E. Receivables

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

F. Interfund Receivables and Payables

During the course of operations transactions occur between individuals funds. These receivables and payables are classified as "due to or due from other funds" on the fund financial statement balance sheet. Transfers represent a permanent reallocation of resources between funds, and are not expected to be repaid.

In the process of aggregating data for the government-wide financial Statement of Net Assets and the Statement of Activities some amounts reported as due to/from balances were eliminated. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on the assets and liabilities within the governmental activities column.

G. Capital Assets

Capital assets, which include land and land improvements, buildings, equipment and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) 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 (the extent to which fixed asset costs have been estimated). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town uses a threshold level of \$5,000 or more for capitalizing capital assets.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

G. Capital Assets (continued)

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. At this point the project costs are moved out of construction-in-progress and capitalized. Straight-line depreciation is used based on the following estimated useful lives:

<u>Type of Capital Asset</u>	<u>Number of Years</u>
• Buildings and building improvements	20-40
• Equipment	5-20
• Sewer system and improvements	14-40
• Infrastructure	25-50

H. Long-term Debt

In the government-wide statement of net assets and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. In proprietary funds bond premiums, discounts and issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

I. Compensated Absences

Employees of the Town can earn vacation time depending on length of service. Under the terms of the Town's vacation policy, vacation time can be accumulated up to a maximum of forty hours, plus the current year accumulation. On the payroll following the employee's anniversary hire date, the employee will be paid for those hours that exceed the maximum allowed accumulated hours and the accrued vacation hours will be reduced accordingly. The amount of accrued vacation days is immaterial therefore no accrued liability of compensated absences has been reported.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

I. Compensated Absences (continued)

Employees are not limited in the accumulation of sick leave. Employees are not compensated for the accumulated sick leave upon retirement or other termination. Accumulated sick leave lapses at separation of employment therefore no liability for earned and unused sick time is recorded.

J. Restricted Assets

Restricted assets in the enterprise fund – Sewer Fund consists of \$197,760 in specific assets required to be segregated as to use pursuant to restrictions arising from the Sewer Revenue Bond Issue.

K. Fund Equity

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, (net)—Consists of capital assets net of accumulated depreciation and net of capital related debt.
- Restricted net assets—Consists of net assets with constraints placed on the use by law through constitutional provisions or enabling legislation.
- Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, the unrestricted resources as they are needed.

Fund Statements

During the fiscal year, the Town has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. In the Fund Financial Statements, fund balance could consist of:

- Non-spendable fund balance which includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact;
- Restricted fund balance is amounts restricted to specific purposes.
- Committed fund balance is amounts that can only be used for specific purposes pursuant to official action prior to the end of the reporting period.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity (continued)

Fund Statements (continued)

- Assigned fund balance is amounts designated to use for a specific purpose but is neither restricted nor committed. The Town has authority to assign fund balance. Assigned fund equity represents those portions of fund equity that are budgeted by through the formal budgeting process for specific purposes.
- Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

Note 2 BUDGETS

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Annual appropriated budgets are adopted for the following governmental funds: general and special revenue. All annual appropriations lapse at year-end.

The Town does not employ encumbrance accounting; under which purchase orders contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 15, a proposed operating budget for the year commencing the following July 1 shall be submitted to the Mayor and Town Council by the Town Clerk. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 2 BUDGETS (Continued)

- The Town Council conducts public hearings to obtain taxpayer comments.
- All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress.
- The level of budgetary control is at the fund, department or project level and any amendment for amounts exceeding any current expenditure amount budgeted must be approved by the Town Council.
- All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.
- Budgets for all governmental fund types are adopted on a basis consistent with GAAP.

The budget was amended during the year. The financial statements reflect the amended budget amounts.

Note 3 PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Town. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31, with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2010 levy was based, was \$7,798,670.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correction of assessments by the assessor is subject to the review and certification by the Louisiana Tax Commission.

For the year ended June 30, 2011, the tax rate was \$8.26 per \$1,000 of assessed valuation on property within the Town for general government services. Total taxes levied were \$64,418.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 4 **DEPOSITS AND INVESTMENTS**

Deposits - Demand (deposits, interest bearing demand deposits and money markets) are recorded at cost, which approximates fair value. At June 30, 2011, the carrying amount of deposits was \$460,938 and the bank balance was \$512,044. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011 none of the entity's bank balance was considered to be exposed to custodial credit risk.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time 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. FDIC adequately secure these deposits from risk.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

Investments - All of the Town's investments (\$779,117) are in the Louisiana Asset Management Pool (LAMP), a state and local government investment pool. They have an average maturity of 60 days or less. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. A board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's governs the corporation. These approved investments are carried at cost, which approximate market and may be liquidated as needed. The total investment in lamp at year-end is \$560,462.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental Activities	Balance 6/30/10	Additions	Deletions / Adjustment	Balance 6/30/11
Capital assets not being depreciated:				
Land	\$ 229,656	\$175,000	\$ -	\$ 404,656
Construction in Progress	43,073	117,170	(111,547)	48,696
TOTALS	272,729	292,170	(111,547)	453,352
Capital assets being depreciated:				
Buildings	1,245,897	27,109	-	1,273,006
Infrastructure	1,811,022	142,166	-	1,953,188
Equipment	423,399	6,990	(3)	430,386
Parks	121,190	-	-	121,190
TOTALS	3,601,508	468,435	(3)	3,777,770

Less accumulated depreciation:

Buildings	558,524	33,941		592,465
Infrastructure	748,327	49,381	(1)	797,707
Equipment	283,974	36,467	(3)	320,438
Parks	32,730	4,891	-	37,621
TOTALS	1,623,555	124,680	(4)	1,748,231
Capital assets being depreciated, net	\$ 1,977,953			\$2,029,539
Total governmental activities capital assets, net	\$ 2,250,682			\$2,482,891

Business-Type Activities	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Capital assets not being depreciated:				
Construction in Progress	\$120,091	\$307,426	\$335,076	\$92,441
TOTALS	120,091	307,426	335,076	92,441
Capital assets being depreciated:				
Sewer System	2,830,600	265,463	1	3,096,064
Machinery and equipment	58,607	-	-	58,607
TOTALS	2,889,207	265,463	1	3,154,671

Less accumulated depreciation:

Sewer System	926,836	66,549	97	993,482
Machinery and equipment	33,553	5,633	(1)	39,185
TOTALS	960,389	72,182	96	1,032,667
Capital assets being depreciated, net	\$1,928,818			\$2,122,004
Total business-type activities capital assets, net	\$2,048,909			\$2,214,445

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 6 CAPITAL ASSETS (Continued)

Depreciation expense was allocated to functions of the Town as follows:

<u>Governmental Activities:</u>	
General government	\$ 47,150
Streets and highways	18,779
Drainage	37,345
Public Safety	12,703
Culture and recreation	8,703
Total depreciation expense -	
governmental activities	<u>\$ 124,680</u>
<u>Business-Type Activities:</u>	
Sewer	<u>\$ 72,182</u>

Note 7 LONG TERM DEBT

On December 1, 1996 the Town issued Sewer Revenue Bonds Series 1995 in the amount of \$1,770,000 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at June 30, 2011 are \$542,000 repayable through 2016 at an interest rate of 2.45% plus a .5% annual administration fee.

Bond Requirements and Covenants

Under the terms of the bond indenture outstanding, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operation of the System. All revenues must be deposited in the System and required transfers made to the following funds on a monthly basis after the payment of operating expenses:

a) Sewer Revenue Bond Sinking Fund

Monthly transfers are required to this fund in an amount necessary to make the principal and interest payments as they become due. This fund is restricted for this purpose.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 7 LONG TERM DEBT (continued)

b) Sewer Revenue Bond Debt Service Reserve Fund

The amount in this account represents the highest amount of principal and interest due on each bond issue in future years on the System's outstanding revenue bonds. The fund is restricted to the payment of principal and interest in case of default on the bond issue.

c) Sewer System Renewal and Replacement Fund

Monthly transfers of 5% of gross revenues of the System for the preceding month are required. The fund is restricted to payments for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Sinking Fund and Bond Debt Service Reserve Fund. However, this fund must contain a minimum of \$60,000 at all times.

The accounting requirements of the bond resolutions, as state in a) through c) above, have been complied with for the year ended June 30, 2011.

A summary of changes in long-term debt of the District is as follows:

	Payable 6/30/09	Debt Incurred	Debt Retired	Payable 6/30/10
Sewer Revenue Bonds, Series 1995	\$641,000		\$99,000	\$542,000

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 7 **LONG TERM DEBT (Continued)**

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

Maturity	Principal	Interest	Total
2012	\$102,000	\$15,990	\$117,990
2013	105,000	12,980	117,980
2014	108,000	9,882	117,882
2015	112,000	6,696	118,696
2016	115,000	3,392	118,392
Totals	\$542,000	\$48,940	\$590,940

Note 8 **INTERFUND RECEIVABLES/PAYABLES**

Interfund receivables and payables for the individual funds were:

INDIVIDUAL FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	\$11,776	\$2,073
Building Maintenance Fund		10,653
Sales Tax Fund	126,000	150
Sewer Fund	1,100	126,000
Totals	\$138,876	\$138,876

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 9 OPERATING TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2011 is as follows:

INDIVIDUAL FUND	TRANSFERS IN	TRANSFERS OUT
General Fund	\$62,000	
Sales Tax Fund		\$62,000
Totals	\$62,000	\$62,000

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

Note 10 RISK MANAGEMENT

The Town is exposed to various risks of loss related to general liability, auto, workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; group health benefits; and natural disasters for which the Town carries commercial insurance. No settlements were made during the year that exceeded the Town's insurance coverage.

Note 11 COMMITMENTS AND CONTINGENCIES

The Town received funding under grants from various state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 12 PENSION PLANS

Employees of the Town, with the exception of the policemen, are members of the Municipal Employees' Retirement System of Louisiana. Full-time policemen, not participating in the Federal Social Security System, are members of the Municipal Police Employees' Retirement System of Louisiana (MPERS).

A. Municipal Employees' Retirement System

Plan Description – The Town contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. Act 569 of the 1968 Louisiana Legislative Session provided an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are known as "Plan A" and "Plan B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only original plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Funding Policy – Plan members are required to contribute 9.25% of their annual covered earnings, and the Town is required to contribute at an actuarially determined rate. The current rate is 14.25% for July 2010 to June 2011. In addition, the system also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contribution to the system for the years ended June 30, 2011, 2010 and 2009 were \$18,247, \$22,286, and \$21,342, respectively, equal to the required contribution for each year.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 12 PENSION PLANS (Continued)

B. Municipal Police Employees' Retirement System

Plan Description – The Town contributes to the Municipal Police Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustment to plan members and beneficiaries. Act 189 of the 1973 Louisiana Legislative Session established the plan.

The System is governed by Louisiana Revised Statutes 11:2211 through 11:2234, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding Policy – Plan members are required to contribute 7.5% of their annual covered earnings excluding overtime but including state supplemental pay, and the Town is required to contribute at an actuarially determined rate. The current rate is 28.25%. In addition, the System also receives a percentage of insurance premiums. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contributions to the System for the years ended June 30, 2011, 2010 and 2009 were \$ 56,973, \$25,450, and \$21,442, respectively, equal to the required contributions for each year.

Note 13 ON BEHALF PAYMENTS FOR SUPPLEMENTAL PAY

The Town recognizes as revenues and expenditures salary supplements, which includes the police that the State of Louisiana has paid directly to the Town's employees. As of June 30, 2011, the total on-behalf payments made amounted to \$36,000.

Note 14 BEGINNING NET ASSETS / FUND BALANCE - RESTATED

The Town corrected the beginning balance of net assets and fund balance to reflect a change in the estimate recorded in the prior year for grant revenue that was not received as expected. The resulting correction increase net assets and fund balance by \$11,018.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 15 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 aggregate dollar amount collected for Sewer Services during the year ended June 30, 2011 was \$157,204 for services to an average of 1,115 customers per month (unaudited) for 12 months resulting in an average monthly billing of \$11.75 per user. The number of users at the end of the fiscal year was 1,117 (unaudited).

As of June 30, 2011 the Town of Lockport charged the following rates for all sewer services furnished by the System, as follows:

- First 2,000 gallons per month \$5.00 per 200 gallons
- over 2,000 gallons per month \$1.93 per 1,000 gallons

***REQUIRED SUPPLEMENTARY
INFORMATION***

SCHEDULE OF INSURANCE IN FORCE

Town of Lockport, Louisiana

June 30, 2011

(UNAUDITED)

Name of Insurer	Policy From	Policy To	Details of Coverage	Amount
Louisiana Citizens Property Insurance Co.	9/23/2010	9/23/2011	Property Coverage	
			Town Hall	\$ 1,000,000
			Town Hall Contents	\$ 150,000
			Sewer Plant Contents	\$ 25,000
			The Locks	\$ 145,000
			Boatbuilding Museum Generators (4)	\$ 300,000 \$ 215,260
CNA Surety Bond	1/30/2011	1/30/2012	Fidelity Bond - Mayor	\$ 5,000
CNA Surety Bond	7/16/2011	7/16/2012	Fidelity Bond - Town Clerk	\$ 10,000
CNA Surety Bond	6/26/2011	6/26/2012	Fidelity Bond - Mayor Pro Tem	\$ 5,000
CNA Surety Bond	12/13/2010	12/13/2011	Fidelity Bond - Admin Clerk	\$ 2,000
Louisiana Municipal Risk Management Agency	1/1/2011	1/1/2012	Workmen's Compensation	LA Statutes
Louisiana Municipal Risk Management Agency	9/21/2010	9/21/2011	Commercial General Liability	\$ 500,000
			Premises per occurrence	\$ 500,000
			Medical per person	\$ 1,000
			Medical per accident	\$ 10,000
			Fire Legal per occurrence	\$ 50,000
Louisiana Municipal Risk Management Agency	9/21/2010	9/21/2011	Automobile Liability Deductible	\$ 500,000 none
Louisiana Municipal Risk Management Agency	9/21/2010	9/21/2011	Law enforcement Officer Deductible per occurrence	\$ 500,000 \$ 1,000
Louisiana Municipal Risk Management Agency	9/21/2010	9/21/2011	Errors and Omissions Deductible per occurrence	\$ 500,000 \$ 1,000
ESSEX Insurance Company	9/21/2010	9/21/2011	Commercial Auto Physical Damage Comp/Collision (Schedule vehicles) Deductible (per unit) Comprehensive Collision as scheduled	ACV or Cost \$ 500

TOWN OF LOCKPORT, LOUISIANA
COMPENSATION PAID TO MEMBERS OF THE TOWN COUNCIL
For the year ended June 30, 2011

<u>Name</u>	<u>Office</u>	<u>Compensation</u>	<u>Per Diem</u>
Richard Champagne	Mayor	\$ 12,000	\$ -
Donovan Barker	Councilman	1,200	1,500
Paul A. Champagne	Councilman	1,200	1,500
Rodney R. Hartman	Councilman	1,200	1,450
Craig Rogers	Councilman	1,200	1,500
Weldon Triche	Councilman	1,200	1,500
		<u>\$ 18,000</u>	<u>\$ 7,450</u>

Compensation for Council Members is paid at the rate of \$100 per month. Per diem is paid at the rate of \$100 for attendance at regular monthly meetings and \$50 for attendance at special meeting when called by the Town of Lockport.

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

We have audited the financial statements of the governmental activities, business-type activities and each major fund of the Town of Lockport, Louisiana (the Town) as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements, and have issued our report thereon dated December 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect or correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management and the Legislative Auditor 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.

Stagni & Company

Thibodaux, Louisiana
December 8, 2011



TOWN OF LOCKPORT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011

We have audited the financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 2011, and have issued our report thereon dated December 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards **N/A - NONE**

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)? Yes No

c. Identification of Major Programs **N/A - NONE**

CFDA Number (s) Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

NOT APPLICABLE

