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# Town of Lutchter

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## *2015 Financial Statements*

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

Release Date NOV 04 2015

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**FINANCIAL STATEMENTS**

**APRIL 30, 2015**

## TABLE OF CONTENTS

	Page No.
<u>INDEPENDENT AUDITORS' REPORTS</u>	
Independent Auditors' Report	1 - 2
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Management's Discussion and Analysis	3 - 9
<u>BASIC FINANCIAL STATEMENTS</u>	
<u>Government-Wide Financial Statements (GWFS):</u>	
Statement of Net Position	10
Statement of Activities	11
<u>Fund Financial Statements (FFS):</u>	
<u>Governmental Funds:</u>	
Balance Sheet	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	14
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
<u>Proprietary Funds:</u>	
Statement of Net Position	16
Statement of Revenues, Expenses, and Changes in Fund Net Position	17
Statement of Cash Flows	18 - 19
<u>Notes to Financial Statements</u>	20 - 33

## TABLE OF CONTENTS

### OTHER SUPPLEMENTARY INFORMATION

#### Budgetary Comparison Schedule:

General Fund	34 - 36
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37 - 38
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by with OMB Circular A-133	39 - 40
Schedule of Expenditures of Federal Awards – For the year ended April 30, 2015	41
Schedule of Findings and Questioned Costs	42 - 43
Summary Schedule of Prior Audit Findings and Questioned Costs	44
Schedule of Principal Officials and Salaries	45
Schedule of Compensation, Benefits and Other Payments to Agency Head	46 - 47
Corrective Action Plan	48

### PERFORMANCE AND STATISTICAL DATA

Insurance-in-Force (without audit)	49
Public Utility System Operations (without audit)	50 - 51

**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Lutcher, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of Lutcher, Louisiana, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Lutcher's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

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 Lutcher, Louisiana, as of April 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lutcher, Louisiana's basic financial statements. The performance and statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Town of Lutcher, Louisiana.

The budgetary comparison information, the schedule of principal officials and salaries, the schedule of compensation, benefits and other payments to agency head, and schedule of expenditures and federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Insurance-in-Force and Public Utility System Operations schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2015, on our consideration of the Town of Lutcher, Louisiana's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Lutcher, Louisiana's internal control over financial reporting and compliance.

*Postlethwaite - Nashville*

Donaldsonville, Louisiana  
October 23, 2015



**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2015**

This section of the Town of Lutcher's (Town) annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on April 30, 2015. Please read it in conjunction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Town's combined total net position increased by \$232,786 or 4.6% over the course of this year's operations. Net position of our governmental activities decreased \$209,266 or 11%. Net position of our business-type activities increased \$442,752 or 14.2%.
- During the year, the Town's governmental type expenses were \$209,266 more than the \$934,560 generated in charges for services, taxes, and other revenue. In the Town's business-type activities, expenses were \$442,752 less than the \$1,712,608 generated in revenues.
- The general fund reported a \$387,182 fund balance for the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town's government, reporting the Town's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services, like public safety, were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the water and sewer system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Town's financial statements, including the portion of the Town's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2015**

Figure A-1 Major Features of Town's Government and Fund Financial Statements				
	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, drainage, and streets	Activities the Town operates similar to private businesses: the water and sewer system	
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expense, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2015**

**Government-wide Statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position - the difference between the Town's assets and liabilities - is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities - Most of the Town's basic services are included here, such as the police, streets and drainage, sanitation, and general administration. Property taxes, sales taxes, franchise fees and interest finance most of these activities.
- Business-type activities - The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water and sewer system are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

The Town has two kinds of funds:

- Governmental funds - Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2015**

- Proprietary funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
  - In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

**Net position.** The Town's combined net position increased between fiscal years ended April 30, 2014 and April 30, 2015 to \$5,248,516. (See Table A-1.)

	<b>Table A-1</b>			
	<b>Town's Net Position</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 385,037	\$ 515,773	\$ 1,157,263	\$ 760,714
Capital assets	1,433,676	1,191,838	3,340,811	2,512,014
Restricted assets	134,204	452,109	582,275	399,513
<b>Total assets</b>	<b>1,952,917</b>	<b>2,159,720</b>	<b>5,080,349</b>	<b>3,672,241</b>
Current liabilities	67,590	49,427	530,635	286,637
Long term liabilities	194,000	209,000	992,525	271,167
<b>Total liabilities</b>	<b>261,590</b>	<b>258,427</b>	<b>1,523,160</b>	<b>557,804</b>
<b>Net position</b>				
Invested in capital assets, net of related debt	1,223,724	967,838	2,348,286	2,240,847
Restricted	134,581	452,109	437,653	259,201
Unrestricted (deficit)	333,022	481,346	771,250	614,389
<b>Total net position</b>	<b>\$ 1,691,327</b>	<b>\$ 1,901,293</b>	<b>\$ 3,557,189</b>	<b>\$ 3,114,437</b>

Net position of the Town's governmental activities decreased 11 percent to \$1,691,327. Net position of the Town's business-type activities increased 14.2 percent to \$3,557,189.

**Changes in net position.** The Town's total revenues for the year ended April 30, 2015 increased by \$105,543 to \$2,583,026. Approximately 56.9 percent of the Town's revenue comes from charges for services and 17.1 percent comes from tax collections.

The Town's total expenses for the year ended April 30, 2015 increased by \$93,594 to \$2,350,240. Approximately 51.3 percent of the Town's expenses come from its business-type activities and 48.7 percent come from its governmental activities. (See Table A-2)

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2015**

**Governmental Activities**

Revenues for the Town's governmental activities increased by \$12,472 or 1.5 percent. Approximately 41.3 percent of these revenues come from taxes and 28.3 percent come from charges for services.

Expenses for the Town's governmental activities increased by \$49,034 or 4.5 percent. Approximately 37.1 percent of these expenses come from streets and drainage activities and 25.6 percent come from general government activities.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>				
<b>Program revenues</b>				
Charges for services	\$ 246,517	\$ 244,169	\$ 1,225,006	\$ 1,191,116
Capital grants and contributions	-	-	353,582	131,637
Operating grants and contributions	-	31,115	-	175,740
<b>General revenues</b>				
Taxes	359,114	330,843	81,392	78,877
Commissions	94,326	100,254	-	-
Licenses and permits	138,415	127,822	-	-
Fines and forfeitures	3,829	8,475	-	-
Other revenues	28,217	15,268	52,628	42,167
<b>Total revenues</b>	<b>870,418</b>	<b>857,946</b>	<b>1,712,608</b>	<b>1,619,537</b>
<b>Expenses</b>				
General government	292,909	279,503	-	-
Streets and drainage	424,360	394,706	-	-
Public safety	192,010	194,327	-	-
Sanitation	229,281	226,956	-	-
Debt service	5,966	-	-	-
Water	-	-	650,803	579,301
Sewer	-	-	554,911	581,853
<b>Total expenses</b>	<b>1,144,526</b>	<b>1,095,492</b>	<b>1,205,714</b>	<b>1,161,154</b>
<b>Other Financing Resources (Uses)</b>				
Transfers in	146,078	207,000	282,791	-
Transfers out	(81,936)	(7,000)	(346,933)	(200,000)
<b>Total Other Financing Resources (Uses)</b>	<b>64,142</b>	<b>200,000</b>	<b>(64,142)</b>	<b>(200,000)</b>
<b>Increase (decrease) in net position</b>	<b>(209,966)</b>	<b>(37,546)</b>	<b>442,752</b>	<b>258,383</b>
<b>Beginning net position</b>	<b>1,901,293</b>	<b>1,938,839</b>	<b>3,114,437</b>	<b>2,856,054</b>
<b>Ending net position</b>	<b>\$ 1,691,327</b>	<b>\$ 1,901,293</b>	<b>\$ 3,557,189</b>	<b>\$ 3,114,437</b>

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2015**

**Business-type Activities**

Revenues for the Town's business-type activities increased by \$93,071 or 5.7 percent. Approximately 71.5 percent of these revenues come from charges for services.

Expenses for the Town's business-type activities increased by \$44,560 or 3.8 percent. Approximately 54 percent of these expenses come from water activities and 46 percent comes from sewer activities.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As the Town completed the year, its governmental funds reported a combined fund balance of \$467,603, a decrease of \$466,838 or 50 percent from last year.

**General Fund Budgetary Highlights**

The Town amended its original budget for the fiscal year. Actual revenues and other financing sources was approximately \$36,000 lower than budgeted revenues and other financing sources, while actual expenditures were approximately \$224,000 lower than anticipated.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of April 30, 2015, the Town had invested \$4,774,487 in a broad range of capital assets, including police equipment, buildings, vehicles, and water and sewer systems. (See Table A-3) This amount represents a net increase (including additions and deductions) of \$1,070,635 or 28.9 percent, compared to last year.

More information about the Town's capital assets is presented in Note 2 to the financial statements.

	<b>Governmental Activities</b>		<b>Business Activities</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Land and Improvements</b>	\$ 49,005	\$ 49,005	\$ 49,925
<b>Buildings and Improvements</b>	283,553	282,657	-	-
<b>Lutcher Park</b>	345,635	345,635	-	-
<b>Streets</b>	822,604	822,604	-	-
<b>Drainage</b>	539,994	408,535	-	-
<b>Equipment</b>	403,763	383,081	179,994	179,994
<b>Construction in Progress</b>	192,156	-	1,062,200	39,020
<b>Water and Sewer Facility and System</b>	-	-	8,211,761	8,185,680
<b>Less: Accumulated Depreciation</b>	( 1,203,034)	( 1,099,679)	( 6,163,069)	( 5,942,605)
<b>Total</b>	<b>\$ 1,433,676</b>	<b>\$ 1,191,838</b>	<b>\$ 3,340,811</b>	<b>\$ 2,512,014</b>

This year's major capital asset additions included:

- Culvert additions totaling \$129,709.
- Water treatment plant construction totaling \$1,062,200.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2015**

The Town's fiscal year 2015-2016 capital budget estimates the continued spending of the original bond proceeds of \$1,570,000, plus an additional \$500,000 of bond proceeds expected for Water Improvement Projects. The Town has issued General and Limited Tax Bonds for Water Improvement Projects which include improvements and additions to the Water intake structure.

**Long-term debt.** At the end of the current fiscal year, the Town had bonded debt outstanding of \$1,244,525 as compared to \$537,167 in the prior year, an increase of \$707,358 or 131.7 percent. (See Table A-4) This increase is due to the continued funding of capital improvements projects through the use of funding from bonds issued in prior years and annual payment requirements. More information about the Town's long-term liabilities is presented in Note 3 to the financial statements.

<b>Table A-4</b>				
<b>Town's Outstanding Debt</b>				
	<b>Governmental Activities</b>		<b>Business Activities</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>General Obligation Bonds</b>	\$ 209,000	\$ 224,000	\$ -	\$ -
<b>Water – General Obligation Bonds</b>	-	-	1,035,525	313,167
<b>Sewer Revenue Bonds</b>	-	-	-	-
<b>Total</b>	<b>\$ 209,000</b>	<b>\$ 224,000</b>	<b>\$ 1,035,525</b>	<b>\$ 313,167</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's major sources of revenue for the general fund are comprised from taxes (sales & property) and garbage fees at 39.9% and 28.9% of total revenues, respectively. The economy is not expected to generate any significant growth. Expenditures are expected to increase in the sewer and water funds for improvements to the waterworks system and sewer lines.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Vanessa Roussel, Town Clerk, PO Box 456, Lutcher, LA 70071.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2015**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash	\$ 329,167	\$ 641,007	\$ 970,174
Receivables:			
Taxes	29,949	6,053	36,002
Accounts, net	24,536	179,503	204,039
Other receivables	736	326,954	327,690
Other current assets	649	3,746	4,395
Restricted assets:			
Cash	134,204	582,275	716,479
Capital assets (net)	1,433,676	3,340,811	4,774,487
<b>Total assets</b>	<b>1,952,917</b>	<b>5,080,349</b>	<b>7,033,266</b>
<b>LIABILITIES</b>			
Accounts payable	28,209	350,692	378,901
Customer service meter deposits	-	98,300	98,300
Accrued payables	24,381	38,643	63,024
Long-term liabilities			
Bonds payable	194,000	992,525	1,186,525
Due within one year	15,000	43,000	58,000
<b>Total liabilities</b>	<b>261,590</b>	<b>1,523,160</b>	<b>1,784,750</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,223,724	2,348,286	3,572,010
Restricted for			
Debt retirement	80,421	437,653	518,074
Capital outlay	54,160	-	54,160
Unrestricted	333,022	771,250	1,104,272
<b>Total net position</b>	<b>\$ 1,691,327</b>	<b>\$ 3,557,189</b>	<b>\$ 5,248,516</b>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED APRIL 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions:</b>							
<b>Governmental activities:</b>							
General government	\$ 292,909	\$ -	\$ -	\$ -	\$ (292,909)	\$ -	\$ (292,909)
Streets and drainage	424,360	-	-	-	(424,360)	-	(424,360)
Public safety	192,010	-	-	-	(192,010)	-	(192,010)
Sanitation	229,281	246,517	-	-	17,236	-	17,236
Debt service	5,966	-	-	-	(5,966)	-	(5,966)
Total governmental activities	1,144,526	246,517	-	-	(898,009)	-	(898,009)
<b>Business-type activities:</b>							
Sewer	554,911	771,138	-	-	-	216,227	216,227
Water	650,803	453,868	-	353,582	-	156,647	156,647
Total business-type activities	1,205,714	1,225,006	-	353,582	-	372,874	372,874
Total primary government	\$ 2,350,240	\$ 1,471,523	\$ -	\$ 353,582	(898,009)	372,874	(525,135)
<b>General revenues</b>							
<b>Taxes:</b>							
Ad valorem					135,732	81,392	217,124
Sales taxes					223,382	-	223,382
Commissions					94,326	-	94,326
Licenses and permits					138,415	-	138,415
Fines and forfeitures					3,829	-	3,829
Transfers (to)/from other funds					64,142	(64,142)	-
Other revenue					28,217	52,628	80,845
Total general revenues and transfers					688,043	69,878	757,921
Change in net position					(209,966)	442,752	232,786
Net position, beginning					1,901,293	3,114,437	5,015,730
Net position, ending					\$ 1,691,327	\$ 3,557,189	\$ 5,248,516

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
Lutcher, Louisiana  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**APRIL 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash	\$ 329,167	\$ -	\$ 329,167
Receivables:			
Taxes	28,535	1,414	29,949
Interest	67	-	67
Accounts, net	25,205	-	25,205
Prepaid Insurance	649	-	649
Restricted assets:			
Cash	54,160	80,044	134,204
<b>Total assets</b>	<b><u>\$ 437,783</u></b>	<b><u>\$ 81,458</u></b>	<b><u>\$ 519,241</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 28,209	\$ -	\$ 28,209
Accrued payables	22,392	1,037	23,429
<b>Total liabilities</b>	<b><u>50,601</u></b>	<b><u>1,037</u></b>	<b><u>51,638</u></b>
<b><u>FUND BALANCE</u></b>			
Restricted for debt retirement	-	80,421	80,421
Restricted for capital outlay	54,160	-	54,160
Unassigned	333,022	-	333,022
<b>Total fund balance</b>	<b><u>387,182</u></b>	<b><u>80,421</u></b>	<b><u>467,603</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 437,783</u></b>	<b><u>\$ 81,458</u></b>	<b><u>\$ 519,241</u></b>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
Lutcher, Louisiana  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**APRIL 30, 2015**

Total fund balances - governmental funds		\$ 467,603
Cost of capital assets at April 30, 2015	2,636,710	
Less: accumulated depreciation as of April 30, 2015	<u>(1,203,034)</u>	1,433,676
Long-term liabilities at April 30, 2015		
Bonds payable	(209,000)	
Accrued interest payable	<u>(952)</u>	<u>(209,952)</u>
Total net position at April 30, 2015 - governmental activities		<u>\$ 1,691,327</u>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**

**Lutcher, Louisiana**

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

**ALL GOVERNMENTAL FUNDS**

**YEAR ENDED APRIL 30, 2015**

	General	Debt Service	Total Governmental Funds
<b><u>REVENUES</u></b>			
Ad valorem taxes	\$ 116,314	\$ 19,418	\$ 135,732
Taxes	223,382	-	223,382
Commissions	94,326	-	94,326
Garbage fees	246,517	-	246,517
Licenses and permits	138,415	-	138,415
Intergovernmental revenue	1,199	-	1,199
Fines and forfeitures	3,829	-	3,829
Interest revenue	-	28	28
Other revenue	26,990	-	26,990
<b>Total revenues</b>	<b>850,972</b>	<b>19,446</b>	<b>870,418</b>
<b><u>EXPENDITURES</u></b>			
Current operating expenditures:			
General government	287,737	-	287,737
Streets and drainage	685,722	-	685,722
Public safety	177,658	-	177,658
Sanitation	229,281	-	229,281
Debt expenditures:			
Principal retirement	-	15,000	15,000
Interest and bond issue costs	-	6,000	6,000
<b>Total expenditures</b>	<b>1,380,398</b>	<b>21,000</b>	<b>1,401,398</b>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>			
	<b>(529,426)</b>	<b>(1,554)</b>	<b>(530,980)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in (out)	146,078	(81,936)	64,142
<b>Total other financing sources (uses)</b>	<b>146,078</b>	<b>(81,936)</b>	<b>64,142</b>
<b><u>NET CHANGE IN FUND BALANCE</u></b>			
	<b>(383,348)</b>	<b>(83,490)</b>	<b>(466,838)</b>
<b><u>FUND BALANCE</u></b>			
Beginning of year	770,530	163,911	934,441
End of year	\$ 387,182	\$ 80,421	\$ 467,603

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**

**Lutcher, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS -**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED APRIL 30, 2015**

Total net changes in fund balance - governmental funds		\$	(466,838)
Capital assets:			
Capital outlay capitalized	345,193		
Depreciation expense for the year ended April 30, 2015	<u>(103,355)</u>		241,838
Long-term debt:			
Principal portion of debt service payments	15,000		
Excess of interest paid over interest accrued	<u>34</u>		<u>15,034</u>
Change in net position - governmental activities		\$	<u>(209,966)</u>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2015**

	Sewer Fund	Water Fund	Total
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash	\$ 368,240	\$ 272,767	\$ 641,007
Accounts receivable (net of allowance for uncollectibles)	117,811	61,692	179,503
Other current assets	285	336,468	336,753
<b>Total current assets</b>	<b>486,336</b>	<b>670,927</b>	<b>1,157,263</b>
<b><u>NONCURRENT ASSETS</u></b>			
<b><u>RESTRICTED ASSETS</u></b>			
Cash	10	582,265	582,275
<b>Total restricted assets</b>	<b>10</b>	<b>582,265</b>	<b>582,275</b>
Capital assets, net	931,894	2,408,917	3,340,811
<b>Total noncurrent assets</b>	<b>931,904</b>	<b>2,991,182</b>	<b>3,923,086</b>
<b>Total assets</b>	<b>1,418,240</b>	<b>3,662,109</b>	<b>5,080,349</b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable	18,573	332,119	350,692
Customer meter deposits	-	98,300	98,300
Accrued payables	10,992	27,651	38,643
Bonds payable due within one year	-	43,000	43,000
<b>Total current liabilities</b>	<b>29,565</b>	<b>501,070</b>	<b>530,635</b>
<b><u>NONCURRENT LIABILITIES</u></b>			
Bonds payable	-	992,525	992,525
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>992,525</b>	<b>992,525</b>
<b>Total liabilities</b>	<b>29,565</b>	<b>1,493,595</b>	<b>1,523,160</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	931,894	1,416,392	2,348,286
Restricted for debt retirement	-	437,653	437,653
Unrestricted	456,781	314,469	771,250
<b>Total net position</b>	<b>\$ 1,388,675</b>	<b>\$ 2,168,514</b>	<b>\$ 3,557,189</b>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**YEAR ENDED APRIL 30, 2015**

	Sewer Fund	Water Fund	Total
<b><u>OPERATING REVENUES</u></b>			
Charges for service			
Sales	\$ 313,131	\$ 440,662	\$ 753,793
Use of oxidation pond	450,290	-	450,290
Delinquent charges	7,717	13,206	20,923
Miscellaneous revenues	4,094	48,534	52,628
<b>Total operating revenues</b>	<u>775,232</u>	<u>502,402</u>	<u>1,277,634</u>
<b><u>OPERATING EXPENSES</u></b>			
Professional services	15,709	14,312	30,021
Payroll taxes	12,912	14,762	27,674
Retirement	13,390	15,947	29,337
Insurance	54,031	140,898	194,929
Office supplies and postage	1,591	9,733	11,324
Miscellaneous	47,448	57,878	105,326
Salaries	174,370	211,384	385,754
Oxidation pond/water plant analysis and treatment	12,610	6,154	18,764
Electricity	65,081	27,262	92,343
Materials, supplies, and repairs	30,830	42,145	72,975
Depreciation	126,939	93,525	220,464
<b>Total operating expenses</b>	<u>554,911</u>	<u>634,000</u>	<u>1,188,911</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>220,321</u>	<u>(131,598)</u>	<u>88,723</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Ad valorem taxes	-	81,392	81,392
Capital grants	-	353,582	353,582
Interest expense	-	(16,803)	(16,803)
<b>Total nonoperating revenues (expenses)</b>	<u>-</u>	<u>418,171</u>	<u>418,171</u>
<b><u>Income before transfers and contributions</u></b>	<u>220,321</u>	<u>286,573</u>	<u>506,894</u>
Transfers in (out)	<u>(346,933)</u>	<u>282,791</u>	<u>(64,142)</u>
<b><u>CHANGE IN NET POSITION</u></b>	<u>(126,612)</u>	<u>569,364</u>	<u>442,752</u>
Net position, beginning	<u>1,515,287</u>	<u>1,599,150</u>	<u>3,114,437</u>
Net position, ending	<u>\$ 1,388,675</u>	<u>\$ 2,168,514</u>	<u>\$ 3,557,189</u>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED APRIL 30, 2015**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Cash received from customers	\$ 772,738	\$ 446,057	\$ 1,218,795
Cash paid to employees and suppliers	(420,318)	(574,643)	(994,961)
Other receipts from operations	4,995	48,443	53,438
Net cash provided by (used in) operating activities	<u>357,415</u>	<u>(80,143)</u>	<u>277,272</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>			
Transfers from (to) other funds	(346,933)	282,791	(64,142)
	<u>(346,933)</u>	<u>282,791</u>	<u>(64,142)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>			
Acquisition of capital assets	(2,970)	(1,085,312)	(1,088,282)
Disposal of capital assets	3,000	36,021	39,021
Capital grant received	-	353,582	353,582
Ad valorem tax	-	81,392	81,392
Bond proceeds received	-	743,358	743,358
Principal payments on long-term debt	-	(21,000)	(21,000)
Interest paid on long-term debt	-	(16,803)	(16,803)
Net cash provided by capital and related financing activities	<u>30</u>	<u>91,238</u>	<u>91,268</u>
Net increase in cash and cash equivalents	10,512	293,886	304,398
Cash and cash equivalents - beginning of year	<u>357,738</u>	<u>561,146</u>	<u>918,884</u>
Cash and cash equivalents - end of year	<u>\$ 368,250</u>	<u>\$ 855,032</u>	<u>\$ 1,223,282</u>
Cash and cash equivalents - end of year			
Cash - current	\$ 368,240	\$ 272,767	\$ 641,007
Cash - restricted	10	582,265	582,275
	<u>\$ 368,250</u>	<u>\$ 855,032</u>	<u>\$ 1,223,282</u>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED APRIL 30, 2015**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET</u></b>			
<b><u>CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>			
Operating income (loss)	\$ 220,321	\$ (131,598)	\$ 88,723
Adjustments to reconcile operating loss to net cash provided by operating activities -			
Depreciation	126,939	93,525	220,464
Bad debt provision	714	3,176	3,890
Changes in assets and liabilities -			
Increase (decrease) in receivables	1,600	(7,811)	(6,211)
Decrease in prepaid expenses and other assets	(285)	(272,307)	(272,592)
Increase in accounts payable and other liabilities	8,126	234,872	242,998
Net cash provided by (used in) operating activities	<u>357,415</u>	<u>(80,143)</u>	<u>277,272</u>

The accompanying notes are an integral part of this statement.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2015

**1. Summary of Significant Accounting Policies**

The Town of Lutcher, Louisiana was incorporated on March 13, 1912, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

**Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 61, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

The following is a summary of certain significant accounting policies and practices:

**Basis of Presentation, Basis of Accounting**

***Government-wide Statements:*** The statement of net position and the statement of activities display information about the Town of Lutcher. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**April 30, 2015**

**1. Summary of Significant Accounting Policies (continued)**

The statement of activities presents a comparison between direct expenses and program revenues for the different 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. 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 fund financial statements provide information about the Town's funds. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental funds:

- a. General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b. Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal, interest and related costs on general long-term debt.

The Town reports the following major enterprise funds:

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

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

1. **Summary of Significant Accounting Policies** (continued)

**Measurement Focus, Basis of Accounting**

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**Use of Estimates**

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

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**April 30, 2015**

**1. Summary of Significant Accounting Policies (continued)**

**Budgets and Budgetary Accounting**

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. 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 originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, and proprietary funds are adopted on bases consistent with accounting principles generally accepted in the United States of America (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts included in the financial statements include the original adopted budget, and the final amended budget.

**Cash and Investments**

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, time deposits and federal obligations are stated at market value. Under state law, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair value.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

1. **Summary of Significant Accounting Policies** (continued)

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town has elected not to report major general infrastructure assets retroactively. The Town began reporting infrastructure assets beginning May 1, 2005.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
Buildings and Improvements	7-40 years
Land Improvements	20 years
Lutcher Park	20-40 years
Streets	20 years
Drainage	20-25 years
Equipment	5-20 years

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against their operations. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system	40 years
Waterworks system	40 years
Office equipment	5-10 years
Automotive equipment	3-5 years

All fixed assets are stated at historical cost.

**Accounts Receivable**

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts at the time information becomes available which indicates the uncollectibility of the particular receivable.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2015

1. **Summary of Significant Accounting Policies** (continued)

**Accumulated Unpaid Vacation**

Employees earn vacation leave at various rates depending upon the length of their employment. Amounts of vested or accumulated vacation leave are expected to be liquidated with expendable available financial resources of the general fund and are reported as an expenditure and liability of the fund as the benefits accrue to employees. Vested or accumulated vacation leave of business-type funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**Equity Classifications**

*Government-wide Statements:* In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements:* In the fund financial statements, governmental fund equity is classified as fund balance. Accounting standards require governmental fund balances to be recorded in as many as five classifications as listed below:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Aldermen, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**1. Summary of Significant Accounting Policies (continued)**

**Interfund Balances / Transfers**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

**Statements of Cash Flows**

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

**Encumbrances**

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss.

**2. Capital Assets**

Capital assets and depreciation activity as of and for the year ended April 30, 2015, are as follows:

**Governmental activities:**

	Land and Improvements	Buildings and Improvements	Lutcher Park	Streets	Drainage	Equipment	Construction in Progress	Total
Cost at April 30, 2014	\$ 49,005	\$ 282,657	\$ 345,635	\$ 822,604	\$ 408,535	\$ 383,081	\$ -	\$ 2,291,517
Additions	-	896	-	-	131,459	20,682	192,156	345,193
Deletions	-	-	-	-	-	-	-	-
Cost of Capital Assets April 30, 2015	49,005	283,553	345,635	822,604	539,994	403,763	192,156	2,636,710
Accumulated depreciation April 30, 2014	4,588	196,902	280,083	197,713	148,940	271,453	-	1,099,679
Additions	496	6,892	3,536	40,478	24,785	27,168	-	103,355
Deletions	-	-	-	-	-	-	-	-
Accumulated depreciation April 30, 2015	5,084	203,794	283,619	238,191	173,725	298,621	-	1,203,034
Capital Assets, net of accumulated depreciation at April 30, 2015	\$ 43,921	\$ 79,759	\$ 62,016	\$ 584,413	\$ 366,269	\$ 105,142	\$ 192,156	\$ 1,433,676

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

2. **Capital Assets** (continued).

Depreciation expense of \$103,355 for the year ended April 30, 2015 was charged to the following governmental functions:

General Government	\$ 11,618
Streets and Drainage	77,385
Public Safety	14,352
	<u>\$ 103,355</u>

Business-type activities:

	Land and Improvements	Water and Sewer Facility and System	Equipment	Construction in Progress	Total
Total Cost of Capital Assets April 30, 2014	\$ 49,925	\$ 8,185,680	\$ 179,994	\$ 39,020	\$ 8,454,619
Additions	-	26,081	-	1,062,200	1,088,281
Deletions	-	-	-	(39,020)	(39,020)
Cost of Capital Assets April 30, 2015	<u>49,925</u>	<u>8,211,761</u>	<u>179,994</u>	<u>1,062,200</u>	<u>9,503,880</u>
Accumulated depreciation April 30, 2014	15,119	5,799,169	128,317	-	5,942,605
Additions	16	206,405	14,043	-	220,464
Deletions	-	-	-	-	-
Accumulated depreciation April 30, 2015	<u>15,135</u>	<u>6,005,574</u>	<u>142,360</u>	<u>-</u>	<u>6,163,069</u>
Capital Assets, net of accumulated depreciation at April 30, 2015	<u>\$ 34,790</u>	<u>\$ 2,206,187</u>	<u>\$ 37,634</u>	<u>\$ 1,062,200</u>	<u>\$ 3,340,811</u>

Depreciation expense of \$220,464 for the year ended April 30, 2015 was charged to the following governmental functions:

Sewer Fund	\$ 126,939
Water Fund	93,525
	<u>\$ 220,464</u>

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**3. Changes in Long-term Debt**

The following is a summary of long-term debt transactions which occurred during the year ended April 30, 2015:

	<u>Balance 4/30/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 4/30/15</u>
<b>Governmental activities:</b>				
General Obligation Bonds, Series 2012A	\$ 224,000	\$ -	\$ 15,000	\$ 209,000
	<u>\$ 224,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 209,000</u>
<b>Business-type activities:</b>				
\$1.1 million General Obligation Bonds, Series 2012	\$ 313,167	\$ 743,358	\$ 21,000	\$ 1,035,525
	<u>\$ 313,167</u>	<u>\$ 743,358</u>	<u>\$ 21,000</u>	<u>\$ 1,035,525</u>

Bonds payable at April 30, 2015 were comprised of the following individual issues:

**Governmental activities:**

**Debt Service Fund**

\$255,000 of General Obligation Bonds, Series 2012A; due in various semi-annual installments, including interest at 3%, through March 1, 2027; payable from Ad Valorem taxes.

\$ 209,000

**Business-type activities:**

**Water Fund**

\$1.1 million of General Obligation Bonds, Series 2012; due in various semi-annual installments, including interest at 2.95%, through March 1, 2032; payable from Ad valorem taxes.

\$ 1,035,525

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**3. Changes in Long-term Debt (continued)**

The annual requirements to amortize all debt outstanding as of April 30, 2015, including interest payments of \$325,471 are as follows:

Year ending: April 30,	Principal	Interest	Total
2016	\$ 58,000	\$ 34,671	\$ 92,671
2017	60,000	33,192	93,192
2018	62,000	31,655	93,655
2019	64,000	29,818	93,818
2020	66,000	27,922	93,922
2021 - thereafter	934,525	168,213	1,102,738
	<u>\$1,244,525</u>	<u>\$ 325,471</u>	<u>\$ 1,569,996</u>

As part of the various Bond agreements the Town has agreed to comply with certain covenants. The covenants consist, primarily, of reporting and audit requirements, maintenance of various deposit accounts and funds, and other administrative requirements.

**4. Ad Valorem Taxes**

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended April 30, 2015 taxes of 7 mills were levied on property with assessed valuations totaling \$15,414,552 for general purposes. Additional taxes of 6.6 mills were levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due.

Ad valorem taxes levied during the year ended April 30, 2015 totaled approximately \$209,639.

**5. Transfers to/from Other Funds**

Interfund transfers at April 30, 2015, were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 228,081	\$ 82,003
Debt Service Fund	82,003	163,939
Sewer Fund	-	346,933
Water Fund	282,791	-
	<u>\$ 592,875</u>	<u>\$ 592,875</u>

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**6. Individual Funds with Deficits**

Expenses / expenditures exceeded revenues during the fiscal year ended April 30, 2015 for the following funds:

General Fund	\$ 383,348
Sewer Fund	126,612
Debt Service Fund	83,490
	<u>\$ 593,450</u>

The deficit was covered by the fund balance carried forward from previous years.

**7. Defined Benefit Pension Plan**

Substantially all employees of the Town of Lutcher are members of either the Municipal Employees' Retirement System of Louisiana or the Municipal Police Employees' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**a. Municipal Employees' Retirement System of Louisiana (System)**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, which has separate assets and benefit provisions. All employees of the Town of Lutcher are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after the age of 60 with at least 10 years of creditable service or at or after the age of 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**7. Defined Benefit Pension Plan (continued)**

**a. Municipal Employees' Retirement System of Louisiana (System) (continued)**

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary, and the Town of Lutcher is required to contribute at an actuarially determined rate. The rate being paid by the Town was 9.50 percent of annual covered payroll for the period 5/1/2014 – 4/30/15. Contributions to the System also include 0.25 percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Lutcher are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Lutcher's contributions to the System under Plan B during the year ending April 30, 2015, 2014, and 2013 were \$43,671, \$33,365, and \$31,832, respectively. These amounts were equal to the required contributions for each year.

**8. Segments of Enterprise Activities**

Water and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended April 30, 2015 for these services are as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating revenues	\$ 775,232	\$ 502,402	\$ 1,277,634
Depreciation	\$ 126,939	\$ 93,525	\$ 220,464
Income (loss) from operations	\$ 220,321	\$ ( 131,598)	\$ 88,723
Change in net position	\$ (126,612)	\$ 569,364	\$ 442,752
Acquisitions of capital assets	\$ 2,970	\$ 1,085,312	\$ 1,088,282
Net working capital	\$ 456,771	\$ 169,857	\$ 626,628
Total assets	\$ 1,418,240	\$ 3,662,109	\$ 5,080,349
Outstanding revenue bonds	\$ -	\$ 1,035,525	\$ 1,035,525
Total net position	\$ 1,388,675	\$ 2,168,514	\$ 3,557,189

**9. Restricted Assets**

Under the terms of the bond indentures for the general obligation bonds, certain revenues are dedicated to the retirement of said bonds, and are to be set aside into special accounts after provisions have been made for the payment of the reasonable and necessary expenses of operating and maintaining the utility systems.

As of April 30, 2015, the Town was in compliance with all related debt covenants.

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**10. Cash and Certificates of Deposit**

At April 30, 2015, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$	200
Demand deposit accounts / savings accounts		969,974
Restricted cash		716,479
 Total	 \$	 <u>1,686,653</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a 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.

**11. Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At April 30, 2015, the Town's bank balances totaled \$1,904,988. Of these bank balances, \$500,000 was covered by federal depository insurance, \$49,881 was covered by securities investor protection corporation insurance, and \$1,355,107 was collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

**12. Restricted Fund Balance**

Fund balance is restricted as follows:

	General Fund	Debt Service Fund	Water Fund	Total
Restricted for:				
Bond retirement	\$ -	\$ 80,421	\$ 437,653	\$ 518,074
Capital outlay	54,160	-	-	54,160
	\$ 54,160	\$ 80,421	\$ 437,653	\$ 572,234

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

13. **Commitments**

Leases that do not meet criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred.

The following is a schedule by year of future minimum lease payments under these arrangements as of April 30, 2015, that have initial or remaining terms in excess of one year.

<u>Year Ending April 30,</u>	<u>Minimum Payments</u>
2016	\$ 230,789
2017	230,598
2018	<u>114,248</u>
	<u>\$ 575,635</u>

14. **Litigation and Claims**

The Town of Lutcher is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

15. **Subsequent Events**

In preparing the financial statements, the Town of Lutcher has evaluated events and transactions for potential recognition or disclosure through October 23, 2015. The Town of Lutcher will be involved in continued progress on the water valve project. The Town of Lutcher is planning to issue another \$500,000 of General Obligation Bonds for the purpose of continued capital improvements and additions to the Town's Waterworks System. The aforementioned projects will continue to be funded by grants and/or the bond issuances noted above and have been accounted for in the April 30, 2016 budget.

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED APRIL 30, 2015**

	Original Budget	Final Amended Budget	Actual
<b><u>REVENUES</u></b>			
Taxes	\$ 300,000	\$ 321,000	\$ 339,696
Commissions	89,000	92,700	94,326
Garbage fees	242,000	242,000	246,517
Licenses	120,000	138,000	138,415
Intergovernmental revenues:			
Beer	1,500	1,000	1,160
Video poker	1,000	39	39
Grants	78,000	-	-
Fines	10,000	3,500	3,829
Other revenue	29,000	34,975	26,990
<b>Total revenues</b>	<u>870,500</u>	<u>833,214</u>	<u>850,972</u>
<b><u>EXPENDITURES</u></b>			
Current operating expenditures:			
General government	403,293	314,258	287,737
Streets and drainage	549,500	808,953	685,722
Public safety	228,700	233,200	177,658
Sanitation	225,000	248,000	229,281
<b>Total expenditures</b>	<u>1,406,493</u>	<u>1,604,411</u>	<u>1,380,398</u>
<b><u>EXCESS (DEFICIENCY) OF</u></b>			
<b><u>REVENUES OVER EXPENDITURES</u></b>	(535,993)	(771,197)	(529,426)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	200,000	200,000	146,078
<b>Total other financing sources (uses)</b>	<u>200,000</u>	<u>200,000</u>	<u>146,078</u>
<b><u>NET CHANGE IN FUND BALANCE</u></b>	(335,993)	(571,197)	(383,348)
<b><u>FUND BALANCE</u></b>			
Beginning of year	(703)	285,492	770,530
End of year	<u>\$ (336,696)</u>	<u>\$ (285,705)</u>	<u>\$ 387,182</u>

**TOWN OF LUTCHER**

**Lutcher, Louisiana**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF EXPENDITURES**

**GENERAL FUND**

**YEAR ENDED APRIL 30, 2015**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>
<b><u>GENERAL GOVERNMENT</u></b>			
Salaries	\$ 134,203	\$ 119,563	\$ 118,309
Planning and zoning	30,000	1,000	430
Professional fees	22,500	26,700	25,118
Electricity	10,000	13,000	11,454
Insurance	39,240	44,045	42,755
Supplies and maintenance	3,000	5,000	4,650
Miscellaneous	80,950	13,750	15,847
Retirement	5,700	7,000	6,676
Office expenses	28,500	28,700	21,873
Payroll taxes	9,500	9,000	8,333
Per diem	2,000	2,500	2,216
Capital outlay	17,000	17,000	6,540
Dues and subscriptions	1,500	2,000	1,742
Education and conventions	8,000	6,000	5,817
Computer	2,500	6,000	4,837
Telephone	8,700	13,000	11,140
Total general government	<u>403,293</u>	<u>314,258</u>	<u>287,737</u>
<b><u>STREETS AND DRAINAGE</u></b>			
Salaries	109,500	98,800	96,940
Miscellaneous	111,000	20,453	3,687
Gasoline, oil, and diesel	6,000	7,000	5,660
Street drainage and ditching	-	20,000	26,327
Street signs	2,000	500	70
Truck and tractor expense	6,000	10,000	9,609
Supplies and maintenance	15,000	40,000	48,146
Electricity	65,000	77,000	69,490
Capital outlay	211,500	493,500	384,700
Insurance	20,000	34,000	33,845
Retirement	3,000	7,500	7,248
Uniforms	500	200	-
Total streets and drainage	<u>549,500</u>	<u>808,953</u>	<u>685,722</u>

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE**  
**SCHEDULE OF EXPENDITURES**  
**GENERAL FUND**  
**YEAR ENDED APRIL 30, 2015**

	Original Budget	Final Amended Budget	Actual
<b><u>PUBLIC SAFETY</u></b>			
Salaries	\$ 139,000	\$ 142,000	\$ 100,791
Gasoline and oil	10,000	7,000	5,812
Uniforms	1,000	500	102
Telephone	3,000	5,000	3,147
Insurance	50,000	49,000	43,609
Vehicle expenses	5,000	2,500	1,318
Supplies and maintenance	5,500	3,500	2,758
Office supplies	1,000	5,000	3,321
Payroll taxes	10,000	9,000	8,326
Printing & publishing	500	200	41
Retirement	-	500	410
Miscellaneous	3,700	9,000	8,023
Total public safety	<u>228,700</u>	<u>233,200</u>	<u>177,658</u>
<b><u>SANITATION</u></b>			
Solid waste disposal	<u>225,000</u>	<u>248,000</u>	<u>229,281</u>
Total sanitation	<u>225,000</u>	<u>248,000</u>	<u>229,281</u>
 Total all departments	 <u>\$ 1,406,493</u>	 <u>\$ 1,604,411</u>	 <u>\$ 1,380,398</u>

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

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Lutcher, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Lutcher, Louisiana, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Lutcher, Louisiana's basic financial statements and have issued our report thereon dated October 23, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Lutcher, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Lutcher, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Lutcher, Louisiana's internal control.

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 and 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. [15-1]

**Compliance and Other Matters**

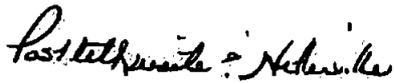
As part of obtaining reasonable assurance about whether the Town of Lutcher, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Town of Lutchet, Louisiana's Response to Findings**

The Town of Lutchet, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Lutchet, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donaldsonville, Louisiana  
October 23, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Lutcher, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited Town of Lutcher, Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Town of Lutcher, Louisiana's major federal programs for the year ended April 30, 2015. Town of Lutcher, Louisiana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Town of Lutcher, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Lutcher, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Lutcher, Louisiana's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Town of Lutcher, Louisiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2015.

## Report on Internal Control Over Compliance

Management of Town of Lutcher, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Lutcher, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Lutcher, Louisiana's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Postlethwaite, Netherlike*

Donaldsonville, Louisiana  
October 23, 2015

**Town of Litcher**  
**Litcher, Louisiana**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

Federal Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	Federal Assistance Number	Pass-through Grantor's/Project Number	Total Current Year Expenditures	Total Amount Provided to Subrecipients
<b>PASS-THROUGH PROGRAMS:</b>					
U. S. Environmental Protection Agency					
Louisiana Department of Health and Hospitals					
Capitalization Grant for Drinking Water Revolving	66.468			1,062,200	-
<b>Totals</b>				<b>\$ 1,062,200</b>	<b>\$ -</b>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Litcher and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B - RELATIONSHIP TO FINANCIAL STATEMENTS**

The expenditures are recognized as follows:

Water Fund	<u>\$ 1,062,200</u>
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**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED APRIL 30, 2015**

**SECTION I - SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified

X Yes           No

- Significant deficiency identified not considered to be a material weakness?

       Yes      X   None reported

Noncompliance material to financial statements noted?

       Yes      X   No

*Federal Awards*

Internal control over financial reporting:

- Material weakness identified

       Yes      X   No

- Significant deficiency identified not considered to be a material weakness?

       Yes      X   None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

       Yes      X   No

Identification of major program:

Name of Federal Program or Cluster

Federal CFDA Number

Capitalization Grant for Drinking Water Revolving Funds

66.468

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

\$300,000

Auditee qualified as low-risk auditee?

       Yes      X   No

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED APRIL 30, 2015**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESSES**

**15-1 Design of Internal Controls**

*Condition:* Improvements are needed to strengthen the design of the Town's internal control system related to revenues and collections received from vendors that utilize the oxidation pond for waste disposal.

*Criteria:* Management should have a more reliable and accurate system for monitoring the number of customers and the amount of gallons being disposed.

*Cause:* The Town employee at the sewer pond is tracking customer, number of gallons, login times in a manual logbook signed by customer.

*Effect:* The Town may not be collecting the appropriate amount of revenue for the amount of gallons of waste being disposed.

*Recommendation:* It is suggested that management consider the use of a video monitoring system to verify the number and identity of vendors that access the site. Additionally, consideration should be given to the utilization of technology to monitor the volume.

*Management's Response:* We (management) have implemented a new procedure that requires each customer to maintain a log book that records on a daily basis the appropriate vehicle identification and volume to be disposed. A separate log is maintained by the Town personnel at the site and requires the signature of the driver. Disposal activity recorded by both logs is compared and entered into a spreadsheet each day. Surveillance cameras are being installed at the disposal site. Each truck is billed for its capacity regardless of its payload. The capacity is being verified by Town personnel via the DOTD website using the vehicle's registration number. We will continue to monitor current technology to enhance ways to insure that the Town records the revenue related to the accurate computation of the volume of waste disposed at the oxidation pond.

**SIGNIFICANT DEFICIENCIES**

None

**COMPLIANCE WITH STATE LAWS AND REGULATIONS**

None

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED APRIL 30, 2015**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**MATERIAL WEAKNESSES**

None

**SIGNIFICANT DEFICIENCIES**

None

**B. FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**14-1 Louisiana Budget Law**

*Condition:* Louisiana Revised Statute 39:1311A(1) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

*Current Status:* No similar finding in the current year

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**  
**SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES**  
**YEAR ENDED APRIL 30, 2015**

	<u>Salaries during the year ended April 30, 2015</u>
Mayor:	
Rowdy K. Scott	\$ 12,800
Patrick St. Pierre	6,400
Aldermen:	
Patrick St. Pierre	3,650
Darlene Riley	6,170
Donald Batiste	6,170
Danny Manuel	6,105
Ronald J. St. Pierre	3,120
Thomas George	6,145
Chief of Police:	
Dwan Bowser	39,383
	<hr/>
	<u>\$ 89,943.</u>

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**APRIL 30, 2015**

Agency Head Name/Title: Mayor Rowdy Scott

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,800
Benefits - insurance	0
Benefits - retirement	0
Car allowance	0
Vehicle provided by government	0
Per diem	67
Reimbursements	0
Travel	0
Registration fees	200
Conference travel	134
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Telephone Expense	1,513
Mileage	0

\*\* Mayor Rowdy Scott term expired December 31, 2014

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**APRIL 30, 2015**

**Agency Head Name/Title: Mayor Patrick St. Pierre**

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 10,050
Benefits - insurance	7,521
Benefits - retirement	955
Car allowance	0
Vehicle provided by government	0
Per diem	42
Reimbursements	0
Travel	0
Registration fees	290
Conference travel	522
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Telephone Expense	200
Mileage	861

\*\* Patrick St. Pierre – Alderman term expired December 31, 2014, Mayor term started January 1, 2015.



**Town of Lutcher**

**Mayor  
Patrick P. St. Pierre**

*St. James Parish  
P. O. Box 456 Lutcher,  
Louisiana 70071  
Telephone: (225) 869-5823  
Fax: (225) 869-9628*

**Town Clerk  
Vanessa C. Roussel**

**Aldermen  
Donald J. Batiste, Sr.  
Thomas D. George  
Danny B. Manuel  
Darlene F. Riley  
Ronald J. St. Pierre, Jr.**

**Town Attorney  
Wilbur W. Reynaud**

**Chief of Police  
Dwan B. Bowser**

**CORRECTIVE ACTION PLAN**

October 23, 2015

Louisiana Legislative Auditor

The Town of Lutcher respectfully submits the following corrective action plan for the year ended April 30, 2015.

Name and address of independent public accounting firm: Postlethwaite & Netterville, APAC  
P. O. Box 1190  
Donaldsonville, LA 70346

Audit Period: May 1, 2014 – April 30, 2015

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

**FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**15-1 Design of Internal Control**

*Recommendation:* It is suggested that management consider the use of a video monitoring system to verify the number and identity of vendors that access the site. Additionally, consideration should be given to the utilization of technology to monitor the volume.

*Action Taken:* We (management) have implemented a new procedure that requires each customer to maintain a log book that records on a daily basis the appropriate vehicle identification and volume to be disposed. A separate log is maintained by the Town personnel at the site and requires the signature of the driver. Disposal activity recorded by both logs is compared and entered into a spreadsheet each day. Surveillance cameras are being installed at the disposal site. Each truck is billed for its capacity regardless of its payload. The capacity is being verified by Town personnel via the DOTD website using the vehicle's registration number. We will continue to monitor current technology to enhance ways to insure that the Town records the revenue related to the accurate computation of the volume of waste disposed at the oxidation pond.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Vanessa Roussel at (225) 869-5823.

Sincerely,

Vanessa Roussel  
Town Clerk

**PERFORMANCE AND STATISTICAL DATA**

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**INSURANCE-IN-FORCE**  
**April 30, 2015**  
**(Without Audit)**

<b><u>Type of Coverage</u></b>	<b><u>Name of Insurer</u></b>	<b><u>Expiration Date</u></b>	<b><u>Coverage Limits</u></b>
General Liability (business, auto, crime, law enforcement & public officials)	Risk Management, Inc.	May 1, 2015	\$ 2,000,000
Boiler & Machinery Equip.	Rod Prejean & Assoc.	May 1, 2015	\$ 3,445,000
Public Officials Bond	Rod Prejean & Assoc	January 24, 2016	\$ 10,000
Commercial Property	Englade Boudreaux	June 12, 2015	\$ 2,057,126
FHA Bond	Rod Prejean & Assoc	January 27, 2016	\$ 70,000
Tractor Equipment	Englade Boudreaux	March 2, 2016	Various limits totaling \$ 104,797
Governmental Crime Policy	Rod Prejean & Assoc	March 23, 2016	\$ 10,000
Vehicle Physical Damage	Rod Prejean & Assoc	May 1, 2015	\$ 145,689
Water Intake Structure Inland Marine	Englade Boudreaux	November 15, 2015	\$475,000

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**PUBLIC UTILITY SYSTEM OPERATIONS**  
**APRIL 30, 2015**  
**(Without Audit)**

**Statistics on System Operations**

- (a) As of April 30, 2015 the number of metered customers was 1,403 and 1,304 for the water and sewer systems, respectively. There were no unmetered customers for either the water or sewer systems at April 30, 2015.
- (b) The following rate schedules were in effect during the fiscal year ended April 30, 2015 for water and sewer services:

(1) Water

The water rates to all water suppliers and to all water customers as users of the Town water system are as follows:

**Residential Customers**

0 – 2,500 gallons	\$14.77 (base rate)
Over 2,500 gallons	\$2.50 per 1,000 gallons or fraction thereof

**Small Commercial Customers**

0 – 10,000 gallons	\$35.00 (base rate)
Over 10,000 gallons	\$3.00 per 1,000 gallons or fraction thereof

**Medium Commercial Customers**

0 – 20,000 gallons	\$50.00 (base rate)
Over 20,000 gallons	\$3.00 per 1,000 gallons or fraction thereof

**Large Commercial Customers**

0 – 50,000 gallons	\$65.00 (base rate)
Over 50,000 gallons	\$2.50 per 1,000 gallons or fraction thereof

**TOWN OF LUTCHER**  
**Lutcher, Louisiana**

**PUBLIC UTILITY SYSTEM OPERATIONS**  
**APRIL 30, 2015**  
**(Without Audit)**

**Statistics on System Operations (continued)**

(2) Sewer

The rates and charges for all customers and users of the sewerage treatment and disposal system of the Town are hereby established as follows:

Residential Customers	\$ 15.00 (flat rate)
Small Commercial Customers	\$ 40.00 (flat rate)
Medium Commercial Customers	\$ 90.00 (flat rate)
Large Commercial Customers	\$ 180.00 (flat rate)

(c) Average monthly billing per customer during the year ended April 30, 2015:

1. Water	\$ <u>25.98</u>
2. Sewer	\$ <u>18.41</u>