

**Town of Lockport
Lockport, Louisiana**

Annual Financial Report
As of and for the
Year Ended June 30, 2021

Town of Lockport
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June 30, 2021

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**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Honorable Paul Champagne, Interim Mayor
and the Members of Town Council
Lockport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lockport (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Lockport'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.

Auditor's Responsibility

Our responsibility is to express opinions 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, each major fund, and the remaining aggregate fund information of the Town of Lockport as of June 30, 2021, 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 4 through 13, the budgetary comparison schedules on pages 50 through 55, and the schedules of employer's share of net pension liability and employer pension contributions on pages 56 and 57 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 Lockport's basic financial statements. The Schedules of Compensation, Benefits and Other Payments to the Town Heads, and Compensation Paid to Members of the Town Council on pages 59 to 60 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedules of Compensation, Benefits, and Other Payments to the Town Heads and Compensation Paid to Members of the Town Council are the responsibility of management and were derived from and relate 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 basic 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 Schedules of Compensation, Benefits, and Other Payments to the Town Heads and Compensation Paid to Members of the Town Council are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Insurance In Force on page 58 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of Town of Lockport'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 the Town of Lockport's internal control over financial reporting and compliance.



Houma, Louisiana
November 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

As management of the Town of Lockport, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town as of and for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

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

The Town's revenues of \$1,539,930 exceeded expenditures of \$1,530,391 by \$9,539. Total revenues were \$87,667 less than they were last year, and total expenses were \$35,511 less than they were last year.

The majority of the decrease in revenues is attributable to the Town selling the "old water plant" for \$60,000 in the prior fiscal year. Total net position increased by \$9,539 (approximately 0.11%) as a result of this year's operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Town's financial statements. The Town of Lockport's financial statements consist of the following:

Statement of Net Position. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not. The financial resources of the governmental activities are presented alongside the resources of the Town's business-type activities.

Statement of Activities. Consistent with the full accrual basis of accounting method, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

Balance Sheet – Governmental Funds. This statement presents the Town's assets, liabilities, and fund balances for its general fund, and its three special revenue funds.

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. Consistent with the modified accrual basis of accounting method, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

Statement of Net Position – Proprietary Fund. This statement presents the Town's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and categories of net position for its enterprise fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements.

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Fund. Consistent with the full accrual basis of accounting method, this statement accounts for the proprietary fund's current year revenues and expenses regardless of when cash is received or paid.

Statement of Cash Flows – Proprietary Fund. This statement provides information about the proprietary fund's cash flows related to operating, investing and financing activities.

Notes to the Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

Our auditor has provided assurance in his independent auditor's report that the financial statements are fairly stated. In regards to the Required Supplemental Information and the Other Supplemental Information, the auditor is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the parts in the Annual Financial Report.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,420,950 at the close of the most recent year, June 30, 2021. The largest portions of the Town's total assets are capital assets, net of accumulated depreciation (77.50%), and cash and cash equivalents, including investments in LAMP (Louisiana Asset Management Pool) (19.74%).

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

The Town's Net Position

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 1,538,267	\$ 1,533,507	\$ 584,516	\$ 523,015	\$ 2,122,783	\$ 2,056,522
Restricted assets	-	-	415,523	446,931	415,523	446,931
Capital assets, net	3,145,452	3,209,281	5,599,435	5,689,140	8,744,887	8,898,421
TOTAL ASSETS	4,683,719	4,742,788	6,599,474	6,659,086	11,283,193	11,401,874
DEFERRED OUTFLOWS OF RESOURCES	259,640	250,517	16,383	15,139	276,023	265,656
LIABILITIES						
Current liabilities	109,597	94,486	20,108	14,435	129,705	108,921
Non-current liabilities	1,001,115	1,008,901	1,910,867	2,036,184	2,911,982	3,045,085
TOTAL LIABILITIES	1,110,712	1,103,387	1,930,975	2,050,619	3,041,687	3,154,006
DEFERRED INFLOWS OF RESOURCES	96,579	93,060	-	9,053	96,579	102,113
NET POSITION						
Net investment in capital assets	3,145,452	3,209,281	3,747,573	3,704,278	6,893,025	6,913,559
Restricted	-	-	415,523	446,931	415,523	446,931
Unrestricted	590,616	587,577	521,786	463,344	1,112,402	1,050,921
TOTAL NET POSITION	\$ 3,736,068	\$ 3,796,858	\$ 4,684,882	\$ 4,614,553	\$ 8,420,950	\$ 8,411,411

Total assets plus deferred outflows of resources decreased by \$108,314, and total liabilities plus deferred inflows of resources decreased by \$117,853. The decrease in assets and deferred outflows of resources is primarily due to the decrease of \$153,534 in net capital assets. The net decrease in total liabilities and deferred inflows of resources is primarily due to the payment of long-term debt.

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

The Town's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>June 30,</u>		<u>June 30,</u>		<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
PROGRAM REVENUES						
Charges for services	\$ 133,935	\$ 223,969	\$ 273,827	\$ 269,794	\$ 407,762	\$ 493,763
Operating grants and contributions	134,805	130,859	-	-	134,805	130,859
Capital grants and contributions	23,534	91,370	-	2,810	23,534	94,180
TOTAL PROGRAM REVENUES	292,274	446,198	273,827	272,604	566,101	718,802
PROGRAM EXPENSES						
General government	327,290	372,432	-	-	327,290	372,432
Streets and highways	160,327	152,602	-	-	160,327	152,602
Drainage	70,958	73,704	-	-	70,958	73,704
Public safety	464,672	515,100	-	-	464,672	515,100
Culture and recreation	23,662	29,021	-	-	23,662	29,021
Sewer	-	-	483,482	423,043	483,482	423,043
TOTAL EXPENSES	1,046,909	1,142,859	483,482	423,043	1,530,391	1,565,902
NET PROGRAM INCOME (LOSS)	(754,635)	(696,661)	(209,655)	(150,439)	(964,290)	(847,100)
GENERAL REVENUES						
Ad valorem taxes	79,847	80,160	-	-	79,847	80,160
Sales taxes	515,446	465,443	277,547	253,114	792,993	718,557
Franchise taxes	76,878	68,384	-	-	76,878	68,384
Other	21,674	33,349	2,437	8,345	24,111	41,694
TOTAL GENERAL REVENUES	693,845	647,336	279,984	261,459	973,829	908,795
CHANGES IN NET POSITION	(60,790)	(49,325)	70,329	111,020	9,539	61,695
NET POSITION - BEGINNING	3,796,858	3,846,183	4,614,553	4,503,533	8,411,411	8,349,716
NET POSITION - ENDING	\$ 3,736,068	\$ 3,796,858	\$ 4,684,882	\$ 4,614,553	\$ 8,420,950	\$ 8,411,411

As indicated above, net position increased by \$9,539 in 2021, which indicates revenues were sufficient to cover expenses incurred during the year.

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

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

The governmental funds reported combined ending fund balances of \$1,428,670, a \$10,351 decrease from the prior fiscal year. This decrease, in contrast with the overall increase in net position of governmental activities, is primarily due to the fact that under the modified accrual approach to accounting, assets are expensed in the year of purchase rather than capitalized and depreciated.

If the assets, liabilities, revenues or expenditures of a governmental fund exceed 10% of the total of all governmental funds, or if management determines that a fund should be presented to be useful to the users of the financial statements, that fund is reported as a major governmental fund in the accompanying fund financial statements. Following is a discussion of the major funds:

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance totaled \$212,001. The fund balance of the General Fund decreased during the current fiscal year. Total revenues and expenditures both decreased significantly due to the decrease in intergovernmental revenues attributable to receiving a state grant in the prior year and not in the current year.

The Sales Tax Fund accounts for the receipt and use of proceeds of the 1% sales and use tax. At the end of the current fiscal year, fund balance assigned for expenditures designated by the ordinance that levied that tax totaled \$1,025,642 – an increase of 0.87% from the prior year. The total revenue collected for Sales Taxes was \$396,497 which was an increase of 10.74%. There was a 16.12% decrease in the current expenditures and a 16.83% decrease in the amount transferred out to the other funds. The primary reason for the decrease in amounts transferred to other funds is the board authorized the purchase of two new police vehicles for \$98,000 in the prior year.

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Fees and charges for services in the Sewer Fund were \$273,827 – a 1.49% increase over last year. Total operating expenses for providing sewer services of \$464,546 resulted in an operating loss of \$190,719. Non-operating revenues net of non-operating expenses totaled \$261,048, resulting in net income of \$70,329 for the Sewer Fund. Net position for the Sewer Fund at the end of the fiscal year was \$4,684,882, an increase of 1.52% from the previous year.

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

BUDGETARY HIGHLIGHTS

For purposes of this analysis, only the two major governmental funds budgets will be discussed.

The original budget for the General Fund was revised to reflect a revenue increase of \$11,177. Supplemental appropriations or authorized budget amendments were necessary and approved as follows:

	<u>Budget Amounts</u>		<u>Increase</u>
	<u>Original</u>	<u>Final</u>	<u>(Decrease)</u>
REVENUES			
Ad valorem tax	\$ 80,000	\$ 80,000	\$ -
Sales and use tax	99,000	115,398	16,398
Franchise tax	61,265	78,871	17,606
Licenses and permits	36,000	45,474	9,474
Insurance premium tax	98,000	94,397	(3,603)
Intergovernmental	43,450	39,072	(4,378)
Fines and forfeitures	59,500	37,280	(22,220)
Other	4,850	2,750	(2,100)
TOTAL REVENUES	<u>482,065</u>	<u>493,242</u>	<u>11,177</u>
CURRENT EXPENDITURES			
General government	195,280	189,124	(6,156)
Public safety	458,704	443,762	(14,942)
Streets and highways	74,697	69,587	(5,110)
Drainage	43,931	38,993	(4,938)
Culture and recreation	18,668	14,285	(4,383)
TOTAL CURRENT	<u>791,280</u>	<u>755,751</u>	<u>(35,529)</u>
CAPITAL OUTLAY	<u>26,600</u>	<u>114,833</u>	<u>88,233</u>
TOTAL EXPENDITURES	<u>817,880</u>	<u>870,584</u>	<u>52,704</u>
OTHER FINANCING SOURCES	<u>343,000</u>	<u>383,000</u>	<u>40,000</u>
NET CHANGES IN FUND BALANCE	<u>\$ 7,185</u>	<u>\$ 5,658</u>	<u>\$ (1,527)</u>

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

BUDGETARY HIGHLIGHTS (CONTINUED)

The Town's actual revenues for the General Fund were more than the budgeted revenues by \$8,523, a favorable variance of 1.73%. The Town's actual expenditures were more than the budgeted expenditures by \$24,478, an unfavorable variance of 3.24%.

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Increase (Decrease)</u>
REVENUES			
Ad valorem tax	\$ 80,000	\$ 79,847	\$ (153)
Sales and use tax	115,398	118,948	3,550
Franchise tax	78,871	76,878	(1,993)
Licenses and permits	45,474	51,978	6,504
Insurance premium tax	94,397	89,036	(5,361)
Intergovernmental	39,072	47,257	8,185
Fines and forfeitures	37,280	36,008	(1,272)
Other	2,750	1,813	(937)
TOTAL REVENUES	<u>493,242</u>	<u>501,765</u>	<u>8,523</u>
CURRENT EXPENDITURES			
General government	189,124	199,233	10,109
Public safety	443,762	453,941	10,179
Streets and highways	69,587	75,097	5,510
Drainage	38,993	37,561	(1,432)
Culture and recreation	14,285	14,397	112
TOTAL CURRENT EXPENDITURES	<u>755,751</u>	<u>780,229</u>	<u>24,478</u>
CAPITAL OUTLAY	<u>114,833</u>	<u>106,047</u>	<u>(8,786)</u>
TOTAL EXPENDITURES	<u>870,584</u>	<u>886,276</u>	<u>15,692</u>
OTHER FINANCING SOURCES	<u>383,000</u>	<u>383,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,658</u>	<u>\$ (1,511)</u>	<u>\$ (7,169)</u>

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

BUDGETARY HIGHLIGHTS (CONTINUED)

The original budget for the Sales Tax Fund was revised to reflect a net increase of \$1,968. Supplemental appropriations or authorized budget amendments were necessary and approved as follows:

	<u>Budget Amounts</u>		<u>Increase</u>
	<u>Original</u>	<u>Final</u>	<u>(Decrease)</u>
REVENUES			
Sales and use tax	\$ 330,000	\$ 384,663	\$ 54,663
Other	13,000	725	(12,275)
TOTAL REVENUES	<u>343,000</u>	<u>385,388</u>	<u>42,388</u>
CURRENT EXPENDITURES			
General government	4,800	5,220	420
OTHER FINANCING USES	<u>343,000</u>	<u>383,000</u>	<u>40,000</u>
NET CHANGES IN FUND BALANCE	<u>\$ (4,800)</u>	<u>\$ (2,832)</u>	<u>\$ 1,968</u>

The Town's actual revenues for the sales tax fund were more than the budgeted revenues by \$11,718, a favorable variance of 3.04%. The Town's actual expenditures were more than the budgeted expenditures by \$39, an unfavorable variance of 0.75%.

	<u>Final</u>	<u>Actual</u>	<u>Increase</u>
	<u>Budget</u>	<u>Amounts</u>	<u>(Decrease)</u>
REVENUES			
Sales and use tax	\$ 384,663	\$ 396,497	\$ 11,834
Other	725	609	(116)
TOTAL REVENUES	<u>385,388</u>	<u>397,106</u>	<u>11,718</u>
CURRENT EXPENDITURES			
General government	5,220	5,259	39
OTHER FINANCING USES	<u>383,000</u>	<u>383,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ (2,832)</u>	<u>\$ 8,847</u>	<u>\$ 11,679</u>

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors were considered when budgeting for the next fiscal year. Possible increases in fees/charges and possible new grant funding sources were all considered. Historically, the office staff and cost remain relatively stable and should continue to do so.

CAPITAL ASSETS

As of June 30, 2021, the Town had \$3,145,452 and \$5,599,435 invested in capital assets for governmental and business-type activities, respectively, as detailed in the table below:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>June 30,</u>		<u>June 30,</u>		<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Capital assets	\$ 6,346,183	\$ 6,240,136	\$ 7,889,022	\$ 7,818,461	\$ 14,235,205	\$ 14,058,597
Accumulated depreciation	(3,200,731)	(3,030,855)	(2,289,587)	(2,129,321)	(5,490,318)	(5,160,176)
Net capital assets	<u>\$ 3,145,452</u>	<u>\$ 3,209,281</u>	<u>\$ 5,599,435</u>	<u>\$ 5,689,140</u>	<u>\$ 8,744,887</u>	<u>\$ 8,898,421</u>

Capital assets consist of land, construction in progress, buildings, parks, machinery and equipment, automobiles, drainage infrastructure, and sewer system, including sewer lines. Depreciation expense for the year ending June 30, 2021 was \$169,876 for governmental activities, and \$160,266 for business-type activities, for a total of \$330,142.

More detailed information about the capital assets is presented in Note 4 to the basic financial statements.

LONG-TERM DEBT

A summary of long-term debt is as follows:

	<u>Payable</u> <u>07/01/20</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Payable</u> <u>06/30/21</u>
Sewer Sales Tax Bonds	<u>\$ 1,984,862</u>	<u>\$ -</u>	<u>\$(133,000)</u>	<u>\$ 1,851,862</u>

At the beginning of the year the Town had outstanding principal of \$1,984,862; principal in the amount of \$133,000 was paid in February 2021 with the remaining \$1,851,862 as outstanding 2013 Sales Tax Bonds as of June 30, 2021.

Town of Lockport
Management's Discussion and Analysis
June 30, 2021

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of The Town's finances for all those with such an interest. If you should have any further questions concerning any of the information provided in this report or have a request for additional financial information, please direct your inquiries to:

Mandy Himel, Town Clerk
Town of Lockport
710 Church Street
Lockport, LA 70374
985-532-3117

FINANCIAL STATEMENTS

Town of Lockport
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 643,540	\$ 442,922	\$ 1,086,462
Investments	725,367	168	725,535
Receivables	54,908	-	54,908
Due from other governments	101,507	76,391	177,898
Due from other funds	12,945	64,888	77,833
Other assets	-	147	147
Restricted assets:			
Investments	-	415,523	415,523
Capital assets:			
Non-depreciable	601,724	1,528,864	2,130,588
Depreciable, net	2,543,728	4,070,571	6,614,299
TOTAL ASSETS	<u>4,683,719</u>	<u>6,599,474</u>	<u>11,283,193</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>259,640</u>	<u>16,383</u>	<u>276,023</u>
LIABILITIES			
Accounts payable and accrued expenses	44,709	7,163	51,872
Due to other funds	64,888	12,945	77,833
Non-current liabilities:			
Due within one year	-	146,000	146,000
Due in more than one year	-	1,705,862	1,705,862
Net pension liability	1,001,115	59,005	1,060,120
TOTAL LIABILITIES	<u>1,110,712</u>	<u>1,930,975</u>	<u>3,041,687</u>
DEFERRED INFLOWS OF RESOURCES	<u>96,579</u>	<u>-</u>	<u>96,579</u>
NET POSITION			
Net investment in capital assets	3,145,452	3,747,573	6,893,025
Restricted for:			
Debt service	-	415,523	415,523
Unrestricted	590,616	521,786	1,112,402
TOTAL NET POSITION	<u>\$ 3,736,068</u>	<u>\$ 4,684,882</u>	<u>\$ 8,420,950</u>

See accompanying notes.

Town of Lockport
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Government activities:							
General government	\$ 327,290	\$ 97,927	\$ 89,035	\$ -	\$ (140,328)	\$ -	\$ (140,328)
Street and highways	160,327	-	44,668	21,547	(94,112)	-	(94,112)
Drainage	70,958	-	-	1,987	(68,971)	-	(68,971)
Public safety	464,672	36,008	500	-	(428,164)	-	(428,164)
Culture and recreation	23,662	-	602	-	(23,060)	-	(23,060)
Total government activities	1,046,909	133,935	134,805	23,534	(754,635)	-	(754,635)
Business-type activities:							
Sewer	483,482	273,827	-	-	-	(209,655)	(209,655)
Total primary government	<u>\$ 1,530,391</u>	<u>\$ 407,762</u>	<u>\$ 134,805</u>	<u>\$ 23,534</u>	<u>(754,635)</u>	<u>(209,655)</u>	<u>(964,290)</u>
General Revenues:							
Property taxes					79,847	-	79,847
Sales taxes					515,446	277,547	792,993
Franchise taxes					76,878	-	76,878
Unrestricted investment earnings					729	1,064	1,793
Revenue from nonemployer contributing entities					20,945	1,373	22,318
					<u>693,845</u>	<u>279,984</u>	<u>973,829</u>
Changes in net position					(60,790)	70,329	9,539
Net position at beginning of year					<u>3,796,858</u>	<u>4,614,553</u>	<u>8,411,411</u>
Net position at end of year					<u>\$ 3,736,068</u>	<u>\$ 4,684,882</u>	<u>\$ 8,420,950</u>

See accompanying notes.

Town of Lockport
Balance Sheet – Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Building Maintenance Fund</u>	<u>Parish Transportation Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 233,931	\$ 341,692	\$ 59,627	\$ 8,290	\$ 643,540
Investments	95,756	605,868	23,743	-	725,367
Receivables:					
Account receivables	52,863	-	2,045	-	54,908
Intergovernmental	23,425	78,082	-	-	101,507
Due from other funds	15,370	-	28,721	-	44,091
TOTAL ASSETS	<u>\$ 421,345</u>	<u>\$ 1,025,642</u>	<u>\$ 114,136</u>	<u>\$ 8,290</u>	<u>\$ 1,569,413</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 43,771	\$ -	\$ 938	\$ -	\$ 44,709
Due to other funds	93,609	-	2,355	70	96,034
TOTAL LIABILITIES	<u>137,380</u>	<u>-</u>	<u>3,293</u>	<u>70</u>	<u>140,743</u>
FUND BALANCES					
Committed for:					
Technology upgrades	11,198	-	-	-	11,198
Law enforcement vehicles	25,684	-	-	-	25,684
Witness fees	34,842	-	-	-	34,842
Other	240	-	-	-	240
Assigned to:					
Sales taxes	-	1,025,642	-	-	1,025,642
Building maintenance	-	-	110,843	-	110,843
Parish transportation	-	-	-	8,220	8,220
Unassigned	212,001	-	-	-	212,001
TOTAL FUND BALANCES	<u>283,965</u>	<u>1,025,642</u>	<u>110,843</u>	<u>8,220</u>	<u>1,428,670</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 421,345</u>	<u>\$ 1,025,642</u>	<u>\$ 114,136</u>	<u>\$ 8,290</u>	<u>\$ 1,569,413</u>

See accompanying notes.

Town of Lockport
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Sales Tax Fund	Building Maintenance Fund	Parish Transportation Fund	Total
REVENUES					
Taxes	\$ 364,709	\$ 396,497	\$ -	\$ -	\$ 761,206
License and permits	51,978	-	-	-	51,978
Intergovernmental	47,257	-	-	21,547	68,804
Fines and forfeitures	36,008	-	-	-	36,008
Other	1,813	609	44,758	-	47,180
TOTAL REVENUE	501,765	397,106	44,758	21,547	965,176
EXPENDITURES					
Current:					
General government	199,233	5,259	59,849	-	264,341
Public safety	453,941	-	-	-	453,941
Streets and highways	75,097	-	-	24,143	99,240
Drainage	37,561	-	-	-	37,561
Culture and recreation	14,397	-	-	-	14,397
Capital outlay	106,047	-	-	-	106,047
TOTAL EXPENDITURES	886,276	5,259	59,849	24,143	975,527
Revenue over (under) expenditures	(384,511)	391,847	(15,091)	(2,596)	(10,351)
OTHER FINANCING SOURCES (USES)					
Transfer in	383,000	-	-	-	383,000
Transfer out	-	(383,000)	-	-	(383,000)
TOTAL OTHER FINANCING SOURCES (USES)	383,000	(383,000)	-	-	-
Net changes in fund balances	(1,511)	8,847	(15,091)	(2,596)	(10,351)
FUND BALANCES					
Beginning of year	285,476	1,016,795	125,934	10,816	1,439,021
End of year	<u>\$ 283,965</u>	<u>\$ 1,025,642</u>	<u>\$ 110,843</u>	<u>\$ 8,220</u>	<u>\$ 1,428,670</u>

See accompanying notes.

Town of Lockport
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2021

**NET POSITION OF TOTAL GOVERNMENTAL FUNDS
 ON FUND FINANCIAL STATEMENTS:** \$ 1,428,670

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

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

Non-depreciable capital assets	601,724	
Depreciable capital assets	5,744,459	
Accumulated depreciation	<u>(3,200,731)</u>	
		3,145,452

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Net pension liability		(1,001,115)
-----------------------	--	-------------

Deferred pension amounts are not reported in the funds but are reports in the GWFS:

Deferred outflows	259,640	
Deferred inflows	<u>(96,579)</u>	
		<u>163,061</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 3,736,068**

See accompanying notes.

Town of Lockport
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
 Changes in Fund Balances to the Statement of Activities
 Year Ended June 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (10,351)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlay	106,047
Depreciation expense	(169,876)

Certain expenditures reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Pension related	<u>13,390</u>
Change in net position of governmental activities	<u><u>\$ (60,790)</u></u>

See accompanying notes.

Town of Lockport
Statement of Net Position – Proprietary Fund
June 30, 2021

ASSETS	<u>Enterprise Fund</u>
Current assets:	
Cash and cash equivalents	\$ 442,922
Investments	168
Due from other governments	76,391
Due from other funds	64,888
Other assets	<u>147</u>
Total current assets	<u>584,516</u>
Noncurrent assets:	
Restricted assets-	
Investments	<u>415,523</u>
Capital assets	
Non-depreciable	1,528,864
Depreciable, net	<u>4,070,571</u>
Net capital assets	<u>5,599,435</u>
Total noncurrent assets	<u>6,014,958</u>
TOTAL ASSETS	<u>6,599,474</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>16,383</u>
LIABILITIES	
Current liabilities:	
Payable from current assets-	
Accrued liabilities	7,163
Due to other funds	<u>12,945</u>
Total payable from current assets	20,108
Payable from restricted assets:	
Bonds payable within one year	<u>146,000</u>
Total current liabilities	166,108
Non-current liabilities	
Sales tax bonds payable	1,705,862
Net pension liability	<u>59,005</u>
TOTAL LIABILITIES	<u>1,930,975</u>
NET POSITION	
Net investment in capital assets	3,747,573
Restricted for debt service	415,523
Unrestricted	<u>521,786</u>
TOTAL NET POSITION	<u><u>\$ 4,684,882</u></u>

See accompanying notes.

Town of Lockport
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund
Year Ended June 30, 2021

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Sewer fees charged	\$ 273,827
OPERATING EXPENSES	
Salaries	109,153
Payroll benefits	11,915
Retirement	9,925
Insurance	5,174
Utilities, phone and postage	53,313
Vehicle costs	4,537
Rent	1,800
Maintenance supplies	4,923
Repairs and maintenance	64,507
Travel and conferences	314
Collection fees	20,913
Other	17,806
Depreciation	160,266
TOTAL OPERATING EXPENSES	464,546
OPERATING LOSS	(190,719)
NON-OPERATING REVENUE (EXPENSES)	
Sales tax revenue	277,547
Investment income	1,064
Revenue from nonemployer contributions	1,372
Other	(79)
Interest and fiscal charges	(18,856)
TOTAL NON-OPERATING REVENUE (EXPENSES)	261,048
CHANGE IN NET POSITION	70,329
NET POSITION	
Beginning of year	4,614,553
End of year	\$ 4,684,882

See accompanying notes.

Town of Lockport
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2021

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net position	\$ 70,329
Adjustments to reconcile change in net position to net cash flows provided by operating activities:	
Depreciation	160,266
Increase in operating assets:	
Due from other governments	(8,288)
Deferred outflows of resources	(1,244)
Increase / (decrease) in operating liabilities:	
Accrued liabilities	13,356
Deferred inflows of resources	(9,053)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	225,366
CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchases of capital assets	(70,561)
CASH FLOWS USED IN FINANCING ACTIVITIES	
Principal payments of bonds payable	(133,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,805
BEGINNING CASH AND CASH EQUIVALENTS	836,808
ENDING CASH AND CASH EQUIVALENTS	\$ 858,613
SUPPLEMENTAL DISCLOSURES:	
Interest paid during the year	\$ 18,856

See accompanying notes.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

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

Note 1 – Summary of Significant Accounting Policies

The accounting methods and procedures adopted by the Town conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the annual financial report. The more significant of the accounting policies utilized are described below.

A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) entities for which the primary government is financially accountable and (3) other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Such criteria has been considered and as a result, there are no component units required to be included in the reporting entity.

B. Basis of Presentation and Accounting – Measurement Focus

The government-wide financial statements report information on all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

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

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

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

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

Governmental funds:

General Fund - is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General fund is always a major fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special revenue funds reported as major funds in the fund financial statements are as follows:

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

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

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

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

The Town Council called for a special election on February 23, 2010 to authorize the levy and collection of a 0.7% Sales & Use Tax for the Town of Lockport intended primarily for the operation of the sewer plant. The sales tax could be used for other improvements such as streets, drainage, and maintenance of sewer lines. In addition, the tax revenues could, in the future, be bonded in order to finance projects.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

Proprietary Funds

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

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

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

C. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates

D. Cash and Cash Equivalents and Investments

Cash includes amounts in regular and money market accounts. The Town considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

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

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

E. Receivables

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

F. Interfund Receivables

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

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

G. Capital Assets

Capital assets, which include land and land improvements, buildings, equipment and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair value on the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. Long-Term Debt

In the government-wide statement of net assets and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. In proprietary funds bond premiums, discounts and issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond issuance costs are reported as expenses in the year they are incurred. In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

I. Compensated Absences

Employees of the Town can earn vacation time depending on length of service. Under the terms of the Town's vacation policy, vacation time can be accumulated up to a maximum of forty hours, plus the current year accumulation. Annually, the employee will be paid for those hours that exceed the maximum allowed accumulated hours and the accrued vacation hours will be reduced accordingly. The amount of accrued vacation leave is not material to the financial statements; therefore, no accrued liability of compensated absences is reported.

Employees are not limited in the accumulation of sick leave, but are not compensated for the accumulated sick leave upon retirement or other termination; therefore, no liability for earned and unused sick time is recorded.

J. Restricted Net Position

Restricted assets in the enterprise fund - Sewer Fund consists of \$415,523 in specific assets required to be segregated as to use pursuant to restrictions arising from the Sewer Revenue Bond Issue.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

K. Fund Equity

Government-wide Financial Statements

GASB statements established standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Fund Financial Statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The Town Council must vote on commitments.

Assigned – This component of fund balance is intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. The Town Council can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the Town’s general fund and includes all spendable amounts not contained in the other classifications.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS), and the Municipal Police Employees Retirement System (MPERS) - the Plans, and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Deferred Outflows/Inflows of Resources

The statement of net position will often report a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources until that time.

N. Budgets

As required by Louisiana Revised Statute 39:1303, the Town adopts a budget for each of the Town’s governmental funds, which include its general fund and three special revenue funds. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Town’s Council. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended once during the year.

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

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

O. New GASB Statements

Statement No. 87, “Leases” increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Note 2 – Deposits and Investments

Bank Deposits:

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States.

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

As of June 30, 2021, the Town had deposits as follows:

	Bank Balances	Reported Balance
Cash and cash equivalents	\$ 1,125,114	\$ 1,086,462

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town has a policy for custodial credit risk. As of June 30, 2021, \$627,927 of the Town’s bank balance was exposed to credit risk. These were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Town’s name.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 2 – Deposits and Investments (Cont.)

As of June 30, 2021, bank deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Town. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers the securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Town's investment policy limits investments to securities with maturity dates less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Town's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 2 – Deposits and Investments (Cont.)

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but are not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 53 days as of June 30, 2021.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in LAMP as of June 30, 2021 amounted to \$1,141,058 and are classified on the Statement of Net Position as "Investments".

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 2 – Deposits and Investments (Cont.)

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$ 1,086,462
Reported amount of investments	<u>1,141,058</u>
Total	<u><u>\$ 2,227,520</u></u>
Cash	\$ 1,086,462
Investments	<u>1,141,058</u>
Total	<u><u>\$ 2,227,520</u></u>

Note 3 – Due from Other Governmental Units

The amounts due from other governmental units at June 30, 2021 is as follows:

	Lafourche Parish School Board	Lafourche Parish Water District 1	<u>Totals</u>
Governmental activities			
General fund	\$ 23,425	\$ -	\$ 23,425
Sales tax fund	<u>78,082</u>	<u>-</u>	<u>78,082</u>
Total governmental activities	101,507	-	101,507
Business-type activities			
Sewer fund	<u>54,658</u>	<u>21,733</u>	<u>76,391</u>
Government wide	<u><u>\$ 156,165</u></u>	<u><u>\$ 21,733</u></u>	<u><u>\$ 177,898</u></u>

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 4 – Capital Assets

Capital assets are valued at historical cost. Depreciation of all capital assets is calculated over the estimated useful lives using the straight-line method (five to fifty years). Capital asset activity for the year ended June 30, 2021 was as follows:

<u>Governmental Activities</u>	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2021</u>
Capital assets not being depreciated				
Land	\$ 496,531	\$ -	\$ -	\$ 496,531
Construction in progress	97,962	7,231	-	105,193
Total non-depreciable capital assets	<u>594,493</u>	<u>7,231</u>	<u>-</u>	<u>601,724</u>
Capital assets being depreciated				
Buildings	1,405,356	-	-	1,405,356
Infrastructure	3,315,541	26,000	-	3,341,541
Equipment	686,678	72,816	-	759,494
Parks	238,068	-	-	238,068
Total depreciable capital assets	<u>5,645,643</u>	<u>98,816</u>	<u>-</u>	<u>5,744,459</u>
Less: Accumulated depreciation				
Buildings	946,391	39,394	-	985,785
Infrastructure	1,325,910	94,484	-	1,420,394
Equipment	632,300	26,733	-	659,033
Parks	126,254	9,265	-	135,519
Total accumulated depreciation	<u>3,030,855</u>	<u>169,876</u>	<u>-</u>	<u>3,200,731</u>
Capital assets being depreciated, net	<u>2,614,788</u>	<u>(71,060)</u>	<u>-</u>	<u>2,543,728</u>
Total governmental activities capital assets, net	<u>\$ 3,209,281</u>	<u>\$ (63,829)</u>	<u>\$ -</u>	<u>\$ 3,145,452</u>
<u>Business-Type Activities</u>				
Capital assets not being depreciated				
Construction in progress	\$ 1,458,303	\$ 70,561	\$ -	\$ 1,528,864
Capital assets being depreciated				
Sewer system	6,314,495	-	-	6,314,495
Machinery and equipment	45,663	-	-	45,663
Total depreciable capital assets	<u>6,360,158</u>	<u>-</u>	<u>-</u>	<u>6,360,158</u>
Less: Accumulated depreciation				
Sewer system	2,072,785	153,399	-	2,226,184
Machinery and equipment	56,536	6,867	-	63,403
Total accumulated depreciation	<u>2,129,321</u>	<u>160,266</u>	<u>-</u>	<u>2,289,587</u>
Capital assets being depreciated, net	<u>4,230,837</u>	<u>(160,266)</u>	<u>-</u>	<u>4,070,571</u>
Total business-type activities capital assets, net	<u>\$ 5,689,140</u>	<u>\$ (89,705)</u>	<u>\$ -</u>	<u>\$ 5,599,435</u>

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 4 – Capital Assets (Cont.)

Depreciation expense as of June 30, 2021 was allocated to functions of the Town as follows:

Governmental Activities:

General government	\$ 55,396
Streets and highways	10,731
Drainage	61,087
Public safety	33,397
Culture and recreation	9,265
	\$ 169,876
Total depreciation expense	\$ 169,876

Business-Type Activities:

Sewer	\$ 160,266
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Construction in progress in the amounts of \$105,193 and \$1,528,865 in governmental and business-type activities, respectively, relate to drainage improvements.

Note 5 – Interfund Receivables/Payables

Interfund receivables and payables for the individual funds for the year ended June 30, 2021 is as follows:

	Receivable	Payable
General fund	\$ 15,370	\$ 93,609
Special revenue funds		
Building maintenance fund	28,721	2,355
Parish transportation fund	-	70
Proprietary funds		
Sewer fund	64,888	12,945
	\$ 108,979	\$ 108,979
Total interfund receivables/payables	\$ 108,979	\$ 108,979

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 6 – Interfund Transfers

A reconciliation of operating transfers for the individual funds as of June 30, 2021 is as follows:

	Transfers In	Transfers Out
General fund	\$ 383,000	\$ -
Special revenue funds		
Sales tax fund	-	383,000
	-	383,000
Total interfund transfers	\$ 383,000	\$ 383,000

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

Note 7 – Property Taxes

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Town. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31, with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2020 levy was based, was \$9,950,190.

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

For the year ended June 30, 2021, the tax rate was \$8.04 per \$1,000 of assessed valuation on property within the Town for general government services. Total taxes levied, as adjusted, were \$79,998 and collected were \$79,847.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 8 – Long-Term Debt

Taxable Sales Tax Bonds Series 2013

On March 1, 2013, the Town entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality (LA-DEQ) for a loan from the Clean Water State Revolving Fund to finance a portion of the costs of constructing and acquiring improvements, extensions and replacements to its sewerage system. The Town by ordinance adopted on January 13, 2013, authorized the incurring of debt and the issuance of its Taxable Sales Bond, Series 2013 in an amount not to exceed \$4,000,000, for the purpose of paying costs of the project, which Bonds are proposed to be purchased by the Department using available moneys in the State Revolving Fund. LA-DEQ agrees that it will affect the Loan by purchasing the Bonds from the Town and paying the purchase price in installments pursuant to the Loan agreement. These bonds shall be secured and payable from a pledge and dedication of the revenues of a .7 % sales and use tax, after payment of the reasonable and necessary costs and expenses of collecting and administering the said tax.

Upon the payment of each principal draw on the loan, twenty-five percent of the principal amount of each draw on the Loan shall be immediately and irrevocably be deemed forgiven by the Department, up to a maximum amount of principal forgiveness of \$1,000,000 and no interest shall accrue on the principal amount that is forgiven.

At the beginning of the year the Town had outstanding principal of \$1,984,862; principal in the amount of \$132,000 was paid with the remaining \$1,851,862 outstanding at June 30, 2021.

Bond Requirements and Covenants

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

a) Sewer Revenue Bond Sinking Fund

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

b) Sewer Revenue Bond Debt Service Reserve Fund

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

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 8 – Long-Term Debt (Cont.)

Principal (annually) and interest (semi-annually) payments will be paid until 2034. The accounting requirements of the bond resolutions, as stated in a) through b) above, have been complied with for the year ended June 30, 2021.

The annual requirements, including interest and associated fees, to amortize bonded long-term debt outstanding is as follows:

<u>Maturity date</u>	<u>Principal</u>	<u>Interest/Fees</u>	<u>Total</u>
2022	\$ 109,500	\$ 16,594	\$ 126,094
2023	111,000	15,207	126,207
2024	111,750	13,784	125,534
2025	112,500	13,270	125,770
2026	114,000	10,538	124,538
2026-2030	585,750	38,617	624,367
2030-2034	707,362	4,816	712,178
Totals	<u>\$ 1,851,862</u>	<u>\$ 112,826</u>	<u>\$ 1,964,688</u>

Note 9 – Pension Plans

GASB Statement No. 68 Accounting and Financial Reporting for Pensions requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits.

The Town's full time employees are provided with benefits through the following multiple-employer cost-sharing plans:

Municipal Employees Retirement System (Plan A) (MERS) provides retirement benefits to employees of all incorporated villages, towns and cities within the state which did not have their own retirement system and which elected to become members of the system.

Municipal Police Employees Retirement System (MPERS) provides retirement benefits to full-time municipal police officers who are not participating in the Federal Social Security System.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

General information about the Plans follows:

Municipal Employees' Retirement System

Plan Description - The Town contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that can be obtained at www.mersla.com.

Benefits Provided - MERS membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership, with exceptions outlined in the Louisiana Revised Statutes. The Town participates in Plan A and provides retirement benefits to any member of Plan A who was hired before January 1, 2013 meeting one of the following criteria:

- Any age with 25 or more years of creditable service
- Age 60 with a minimum of 10 years creditable service
- Any age with 5 years of creditable service for disability benefits
- Survivor's benefits require 5 years of creditable service at death of member
- Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit

For members hired after January 1, 2013, benefits are provided to any member of Plan A meeting one of the following criteria:

- Age 67 with 7 or more years of creditable service
- Age 62 with 10 or more years of creditable service or age 55 with 30 or more years of creditable service
- Any age with 25 years of service, exclusive of military service and unused leave, with an actuarially reduced early benefit
- Survivor's benefits require five or more year of creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately

Benefit Formula - Generally, the monthly retirement allowance for any member of Plan A consists of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. Survivor, death and disability benefits are also provided under the plan.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

Survivor Benefits - Upon death of any member of Plan A with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Deferred Retirement Option Program (DROP) - In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

Disability Benefits - For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board.

Cost of Living Increases - The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

State law allows the System to grant an additional cost of living (COLA) increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Contributions - According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2020 (the plan measurement date), the actual employer contribution rate was 27.75% and the employee contribution rate was 9.50%. Contributions to the pension plan totaled \$42,284.

The plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from non-employer contributing entities, but are not considered as special funding situations.

Municipal Police Employees' Retirement System

Plan Description - The Town contributes to the Municipal Police Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit pension plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustment to plan members and beneficiaries. The System is governed by Louisiana Revised Statutes 11:2211 through 11:2233, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that can be obtained at www.lampers.org.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

Benefits Provided - MPERS membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided that the officer is not required to pay Social Security, and otherwise meets statutory criteria.

For members hired before January 1, 2013, the plan provides retirement benefits to any member who has:

- 25 years of creditable service at any age, or
- 20 years of creditable service who has attained age 50, or
- 12 years of service who has attained age 55, or
- 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3 1/3 % of average final compensation (average monthly earnings during the highest 36 consecutive months) times the number of years' service, not to exceed 100% of final salary. The plan also provides survivor, death and disability benefits.

For members hired after January 1, 2013, benefits are based on the Hazardous Duty sub-plan or the Nonhazardous Duty sub-plan. Under the Hazardous Duty sub-plan, a member is eligible for benefits after:

- 25 years of creditable service at any age, or
- 12 years of creditable service at age 55.

Under the Nonhazardous Duty sub-plan, a member is eligible for benefits after:

- 30 years of creditable service at any age, or
- 25 years of creditable service at age 55, or
- 10 years of creditable service at age 60.

Cost of Living Adjustments - The Board or Trustees is authorized to provide annual cost of living adjustments computed on the amount of the current regular retirement, disability, and beneficiary or survivors benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the members original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received for at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

Deferred Retirement Option Program (DROP) - A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at the date of application. The duration of participation is thirty-six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service.

For those eligible to enter DROP prior to January 1, 2004, Drop accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never decrease in value. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan - In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Contributions - Contributions by employers are actuarially determined by law, but cannot be less than 9% of compensation excluding overtime, but including state supplemental pay. For the year ended June 30, 2020 (plan measurement date), employee and employer contributions were 10.00% and 32.50%, respectively, for employees hired prior to January 1, 2013 and for hazardous duty employees hired after January 1, 2013. For nonhazardous duty employees hired after January 1, 2013, employer contributions were 32.25% and employee rates were 8%. For members whose earnable compensation is less than poverty guidelines, employer contributions were 34.25% and employee rates were 7.50%.

The plan also receives insurance premium tax monies appropriated by the state legislature as additional employer contributions and is considered support from a non-employer contributing entity, but not considered a special funding situation. Non-employer contributions are recognized as revenue during the year ended June 30, 2020 (the plan measurement date) and excluded from pension expense.

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

Employer contributions to the pension plan totaled \$72,732.

As of June 30, 2021, the Town reported the proportionate shares of the net pension liability of the Plans, as follows:

Plans	Proportionate share of net pension liability
Municipal Employees Retirement System - Plan A	\$ 340,244
Municipal Police Employees Retirement System	719,876
Total	\$ 1,060,120

The net pension liability for both plans was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined.

The Town's proportions of each plan at the measurement dates were as follows:

Plan	Proportionate share	
Measurement date:	06/30/19	06/30/20
Municipal Employees Retirement System - Plan A	0.074270%	0.078698%
Municipal Police Employees Retirement System	0.082570%	0.077889%

At the June 30, 2020 measurement date the Town recognized pension expense as follows:

Plan	Pension expense
Municipal Employees Retirement System - Plan A	\$ 33,352
Municipal Police Employees Retirement System	85,277
Total	\$ 118,629

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities		Total MERS-A	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Municipal Employees Retirement System (MERS-A)</u>						
Differences between expected and actual experience	\$ 132	\$ 1,927	\$ 26	\$ -	\$ 158	\$ 1,927
Changes in assumptions	4,787	-	937	-	5,724	-
Differences between projected and actual earnings on investments	28,392	-	5,561	-	33,953	-
Changes in proportion	15,780	-	3,091	-	18,871	-
Employer contributions subsequent to measurement date	34,558	-	6,768	-	41,326	-
	<u>\$ 83,649</u>	<u>\$ 1,927</u>	<u>\$ 16,383</u>	<u>\$ -</u>	<u>\$ 100,032</u>	<u>\$ 1,927</u>

	Governmental Activities		Business-Type Activities		Total MPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Municipal Police Employees Retirement System (MPERS)</u>						
Differences between expected and actual experience	\$ -	\$ 28,355	\$ -	\$ -	\$ -	\$ 28,355
Changes in assumptions	17,106	17,765	-	-	17,106	17,765
Differences between projected and actual earnings on investments	86,364	-	-	-	86,364	-
Changes in proportion	-	48,532	-	-	-	48,532
Employer contributions subsequent to measurement date	72,521	-	-	-	72,521	-
	<u>\$ 175,991</u>	<u>\$ 94,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,991</u>	<u>\$ 94,652</u>

	Governmental Activities		Business-Type Activities		Total MERS-A + MPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Total of Both Systems (MERS-A + MPERS)</u>						
Differences between expected and actual experience	\$ 132	\$ 30,282	\$ 26	\$ -	\$ 158	\$ 30,282
Changes in assumptions	21,893	17,765	937	-	22,830	17,765
Differences between projected and actual earnings on investments	114,756	-	5,561	-	120,317	-
Changes in proportion	15,780	48,532	3,091	-	18,871	48,532
Employer contributions subsequent to measurement date	107,079	-	6,768	-	113,847	-
	<u>\$ 259,640</u>	<u>\$ 96,579</u>	<u>\$ 16,383</u>	<u>\$ -</u>	<u>\$ 276,023</u>	<u>\$ 96,579</u>

The deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	MERS	MPERS	TOTAL
2021	\$ 28,322	\$ (19,877)	\$ 8,445
2022	16,155	5,884	22,039
2023	7,432	6,452	13,884
2024	4,870	16,359	21,229

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

Actuarial assumptions:

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>MERS</u>	<u>MPERS</u>
Inflation	2.600%	2.500%
Discount rate used to measure pension liability	6.950%	6.950%
Salary increases	Vary from 6.40% for 1-4 years of service and 4.50% thereafter	Vary from 12.30% for 1st 2 years of service to 4.70% thereafter
Investment rate of return	7.000%	6.950%
Actuarial cost method	Entry age normal	Entry age normal
Expected remaining service lives	3 years	4 years
Cost of Living Adjustment	none	none

Mortality rates for MERS were based on the RP-2000 Employee Table for active members, Healthy Annuitant Table for healthy annuitants, and Disabled Lives Mortality Tables for disabled annuitants. Mortality rate assumptions for the MPERS were based on experience studies performed on plan data for the period July 1, 2009 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.00% (MERS) and 7.14% (MPERS) for the year ending June 30, 2020.

The best estimates of real rates of return for each major asset class included in the pension plans' target asset allocation, as of June 30, 2020, are summarized in the following tables:

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
MERS:		
Public equity	53.0%	2.33%
Public fixed income	38.0%	1.67%
Alternatives	<u>9.0%</u>	<u>0.40%</u>
TOTALS	100.0%	4.40%
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u><u>7.00%</u></u>
MPERS:		
Public equity	48.5%	3.08%
Public fixed income	33.5%	0.54%
Alternatives	<u>18.0%</u>	<u>1.02%</u>
TOTALS	100.0%	4.64%
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u><u>7.14%</u></u>

Rates of return are presented as arithmetic means for MERS and MPERS. The investment rates of return were determined based on expected cash flows which assume that contributions from plan members will be made at current contribution rates and that contributions from the participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the investment rate of return on plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 – Pension Plans (Cont.)

<u>Plan</u>	<u>5.950%</u>	<u>6.950%</u>	<u>7.950%</u>
MERS-A	\$ 442,620	\$ 340,244	\$ 230,629
<u>Plan</u>	<u>5.950%</u>	<u>6.950%</u>	<u>7.950%</u>
MPERS	1,011,349	719,876	476,217
TOTAL	<u>\$ 1,453,969</u>	<u>\$ 1,060,120</u>	<u>\$ 706,846</u>

Pension plan fiduciary net position:

Detailed information about the Plans' fiduciary net position is available in the separately issued financial statements of the Plans.

Support of Non-employer Contributing Entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Town recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2021, the Town recognized revenue as a result of support received from non-employer contributing entities of \$5,338 for its participation in MERS and \$16,978 for its participation in MPERS. These amounts were allocated to the government-wide and business type activities in proportion to their current contributions.

Payables to the pension plans:

At June 30, 2021, no amounts were due to the pension plans for employer and employee required contributions.

Note 10 – Risk Management

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

Note 11 – Commitments and Contingencies

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

Town of Lockport
Notes to the Financial Statements
Year Ended June 30, 2021

Note 12 – Other Required Disclosures

As of February 2001, Lafourche Parish Water District #1 began billing and collecting sewer fees for the Town of Lockport. The Water District remits the fees to the Town, less an eight percent collection fee. The aggregate dollar amount collected for sewer services during the year was \$273,827 for services to an average of 1,086 customers per month (unaudited) for 12 months resulting in an average monthly billing of \$21 per user. The number of users at the end of the fiscal year was 1,089 (unaudited).

Note 13 – Subsequent Events

The Town of Lockport has evaluated subsequent events through November 19, 2021, the date which the financial statements were available to be issued, and it was determined that the events noted below occurred which require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On August 29, 2021, Hurricane Ida made landfall near Port Fourchon, Louisiana as a Category 4 storm, with winds travelling in excess of 150 miles per hour. The natural disaster caused significant wind-related and water-related damage to homes and businesses throughout Lafourche Parish, to which property owned and operated by the Town of Lockport was no exception. No running water or electricity were available to the Town shortly after the event, and the Town's offices were temporarily inoperable as a result. As of November 19, 2021, no estimates of total uninsured damages can be made and the financial statements do not reflect any losses caused by the storm.

On Tuesday, November 16, 2021, the Mayor of the Town of Lockport resigned from office due to certain allegations brought against him and an interim mayor was officially selected by the Town Council to act in his stead until a special election can be held in the fall of 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Lockport
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2021

REVENUES	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance (Un)Favorable</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Ad valorem	\$ 80,000	\$ 80,000	\$ 79,847	\$ (153)
Sales and use	99,000	115,398	118,948	3,550
Franchise:				
Entergy	36,000	43,891	41,048	(2,843)
South coast gas	4,600	4,514	4,671	157
Vision communications	12,500	24,150	24,932	782
AT&T - local phone service	4,645	3,131	3,069	(62)
AT&T - video	3,520	3,185	3,158	(27)
Licenses and permits:				
Occupational licenses	32,000	34,119	37,518	3,399
Permits	4,000	11,355	14,460	3,105
Insurance premium tax	98,000	94,397	89,036	(5,361)
Intergovernmental:				
State of Louisiana				
Beer taxes	2,500	2,000	1,858	(142)
Video poker	12,000	8,442	15,360	6,918
State maintenance contract	1,450	1,450	1,450	-
Grant - LGAP	26,600	26,600	26,000	(600)
Other	-	-	1,987	1,987
Local:				
Off track betting	900	580	602	22
Fines and forfeitures	59,500	37,280	36,008	(1,272)
Other:				
Interest earned	1,500	110	96	(14)
Other - town	3,350	2,640	1,717	(923)
Total revenues	<u>482,065</u>	<u>493,242</u>	<u>501,765</u>	<u>8,523</u>
EXPENDITURES				
Executive/Administration				
Current:				
Salaries	76,000	77,050	78,668	(1,618)
Payroll benefits	9,680	9,425	9,477	(52)
Retirement	17,800	17,912	19,328	(1,416)
Dues and subscriptions	7,000	6,500	8,433	(1,933)
Utilities, phone and postage	8,600	8,550	8,168	382
Rent	1,800	1,800	1,800	-
Professional fees	44,000	44,000	48,454	(4,454)
Bank charges	800	3,110	3,117	(7)
Insurance	10,300	5,897	5,881	16
Office and maintenance supplies	6,000	8,135	8,737	(602)
Travel and conferences	7,000	1,800	1,589	211
Sales tax collection fee	3,300	3,000	-	3,000
Other expenses	3,000	1,945	5,581	(3,636)
Total executive/administration	<u>195,280</u>	<u>189,124</u>	<u>199,233</u>	<u>(10,109)</u>

See independent auditor's report.

Town of Lockport
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance (Un)Favorable
	Original	Final		
Public Safety				
Current:				
Salaries	224,055	224,055	231,408	(7,353)
Fees paid to witnesses & other agencies	3,900	2,250	2,564	(314)
Payroll benefits	43,430	32,768	31,072	1,696
Retirement	80,219	77,417	77,923	(506)
Dues and subscriptions	1,000	1,559	1,334	225
Utilities, phone and postage	10,900	10,900	11,266	(366)
Office rent	-	-	-	-
Vehicle costs	29,500	30,337	26,818	3,519
Insurance	30,000	23,411	32,493	(9,082)
Office and maintenance supplies	30,500	37,705	34,778	2,927
Conferences	1,200	210	210	-
Collection fee	1,000	1,150	1,038	112
Uniforms-ammo	3,000	2,000	2,102	(102)
Other expenses	-	-	935	(935)
Total current expenditures	458,704	443,762	453,941	(10,179)
Capital outlay	-	83,046	72,815	10,231
Total public safety	458,704	526,808	526,756	52
Streets and highways				
Current:				
Salaries	22,997	22,997	23,571	(574)
Payroll benefits	7,250	5,772	5,182	590
Retirement	3,900	4,070	4,352	(282)
Utilities, phone and postage	500	425	414	11
Insurance	6,100	5,905	5,619	286
Street lights	30,000	28,010	35,809	(7,799)
Other	3,950	2,408	-	2,408
Total current expenditures	74,697	69,587	75,097	(5,510)
Capital outlay	26,600	26,600	33,232	(6,632)
Total streets and highways	101,297	96,187	108,329	(12,142)

See independent auditor's report.

Town of Lockport
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance (Un)Favorable
	Original	Final		
Drainage				
Current:				
Salaries	20,081	15,267	17,018	(1,751)
Payroll benefits	4,400	2,710	1,962	748
Retirement	3,500	2,660	2,138	522
Utilities, phone and postage	500	425	414	11
Vehicle costs	2,200	5,465	6,085	(620)
Insurance	4,400	5,010	4,042	968
Maintenance and supplies	8,500	7,366	5,827	1,539
Other expenses	350	90	75	15
Total current expenditures	43,931	38,993	37,561	1,432
Capital outlay	-	5,187	-	5,187
Total drainage	43,931	44,180	37,561	6,619
Culture and recreation				
Current:				
Salaries	6,372	5,557	5,100	457
Payroll benefits	500	167	185	(18)
Retirement	1,196	1,090	814	276
Utilities, phone and postage	2,800	1,925	2,107	(182)
Insurance	300	200	184	16
Maintenance and supplies	5,000	5,000	5,661	(661)
Other expenses	2,500	346	346	-
Total culture and recreation	18,668	14,285	14,397	(112)
Total expenditures:				
Current	791,280	755,751	780,229	(24,478)
Debt service	-	-	-	-
Capital outlay	26,600	114,833	106,047	8,786
	817,880	870,584	886,276	(15,692)
Revenues over (under) expenditures	(335,815)	(377,342)	(384,511)	(7,169)
OTHER FINANCING SOURCES				
Transfers in - sales tax fund	343,000	383,000	383,000	-
Appropriations capital expenditures	-	-	-	-
Total other financing sources (uses)	343,000	383,000	383,000	-
Net changes in fund balances	7,185	5,658	(1,511)	(7,169)
FUND BALANCE				
Beginning of year	285,476	285,476	285,476	-
End of year	\$ 292,661	\$ 291,134	\$ 283,965	\$ (7,169)

See independent auditor's report.

Town of Lockport
 Budgetary Comparison Schedule – Sales Tax Fund
 Year Ended June 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance (Un)Favorable</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - sales and use	\$ 330,000	\$ 384,663	\$ 396,497	\$ 11,834
Interest earned	13,000	725	609	(116)
Total revenues	<u>343,000</u>	<u>385,388</u>	<u>397,106</u>	<u>11,718</u>
EXPENDITURES				
General government				
Current:				
Rent expense	1,800	1,800	1,800	-
Collection fee	3,000	3,420	3,459	(39)
Total expenditures	<u>4,800</u>	<u>5,220</u>	<u>5,259</u>	<u>(39)</u>
Revenues over expenditures	338,200	380,168	391,847	11,679
OTHER FINANCING USES				
Operating transfers out:				
General fund	(343,000)	(383,000)	(383,000)	-
Net change in fund balance	(4,800)	(2,832)	8,847	11,679
FUND BALANCES				
Beginning of year	1,016,795	1,016,795	1,016,795	-
End of year	<u>\$1,011,995</u>	<u>\$1,013,963</u>	<u>\$1,025,642</u>	<u>\$ 11,679</u>

See independent auditor's report.

Town of Lockport
 Budgetary Comparison Schedule – Building Maintenance Fund (Non-major)
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance (Un)Favorable
	Original	Final		
REVENUES				
Rental income	\$ 45,444	\$ 45,999	\$ 44,734	\$ (1,265)
Other income	-	-	-	-
Interest income	450	28	24	(4)
Total revenues	<u>45,894</u>	<u>46,027</u>	<u>44,758</u>	<u>(1,269)</u>
EXPENDITURES				
General government				
Current:				
Salaries	9,625	9,500	10,885	(1,385)
Payroll benefits	730	730	875	(145)
Utilities	12,500	10,705	13,410	(2,705)
Repairs and maintenance	8,500	10,429	9,270	1,159
Insurance	24,565	22,958	22,958	-
Maintenance and supplies	2,500	2,500	2,451	49
Total expenditures	<u>58,420</u>	<u>56,822</u>	<u>59,849</u>	<u>(3,027)</u>
Net change in fund balance	(12,526)	(10,795)	(15,091)	(4,296)
FUND BALANCE				
Beginning of year	<u>125,934</u>	<u>125,934</u>	<u>125,934</u>	<u>-</u>
End of year	<u><u>\$ 113,408</u></u>	<u><u>\$ 115,139</u></u>	<u><u>\$ 110,843</u></u>	<u><u>\$ (4,296)</u></u>

See independent auditor's report.

Town of Lockport
 Budgetary Comparison Schedule – Parish Transportation Fund (Non-major)
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance (Un)Favorable
	Original	Final		
REVENUES				
Intergovernmental - state	\$ 26,500	\$ 23,860	\$ 21,547	\$ (2,313)
EXPENDITURES				
General Government				
Current:				
Auto and truck	3,800	6,358	7,525	(1,167)
Equipment maintenance	3,500	2,251	915	1,336
Maintenance and supplies	3,500	5,090	7,907	(2,817)
Other	-	-	74	(74)
Shells and blacktop	10,000	9,000	7,722	1,278
Total expenditures	20,800	22,699	24,143	(1,444)
Net change in fund balance	5,700	1,161	(2,596)	(3,757)
FUND BALANCE				
Beginning of year	16,095	17,024	10,816	-
End of year	\$ 21,795	\$ 18,185	\$ 8,220	\$ (3,757)

See independent auditor's report.

Town of Lockport, Louisiana
Municipal Employees Retirement System
Last Ten Fiscal Years

For Fiscal Year Ended Measurement Date	June 30, 2015 June 30, 2014	June 30, 2016 June 30, 2015	June 30, 2017 June 30, 2016	June 30, 2018 June 30, 2017	June 30, 2019 June 30, 2018	June 30, 2020 June 30, 2019	June 30, 2021 June 30, 2020
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY							
Proportion of the net pension liability	0.080970%	0.096474%	0.106620%	0.095579%	0.067664%	0.074270%	0.078698%
Proportionate share of the net pension liability	\$ 207,805	\$ 344,620	\$ 437,005	\$ 399,847	\$ 280,175	\$ 310,349	\$ 340,244
Covered employee payroll	139,492	161,637	173,576	124,169	135,332	150,418	143,337
Proportionate share of the net pension liability as a percentage of covered employee payroll	148.97%	213.21%	251.77%	322.02%	207.03%	206.32%	237.37%
Plan fiduciary net position as a percentage of the total pension liability	73.99%	66.18%	62.11%	62.49%	63.94%	64.68%	64.52%
SCHEDULE OF CONTRIBUTIONS							
Contractually required contribution	25,507	37,616	39,489	27,142	35,747	41,741	42,173
Contributions made	25,507	37,616	39,489	27,142	35,747	41,741	42,173
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 139,492	\$ 161,650	\$ 173,576	\$ 124,169	\$ 135,332	\$ 150,418	\$ 143,337
Contribution as a percentage of covered employee payroll	18.29%	23.27%	22.75%	21.86%	26.41%	27.75%	29.42%
*Note: Third year of GASB 68 implementation, Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.							
Note to Required Supplementary Information							
<i>Changes of Benefit Terms</i>	no changes	no changes	no changes	no changes	no changes	no changes	no changes
<i>Changes of Assumptions</i>							
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Expected remaining service lives	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Investment rate of return	7.500%	7.500%	7.500%	7.400%	7.275%	7.000%	7.000%
Inflation rate	3.000%	2.875%	2.875%	2.775%	2.600%	2.700%	2.600%
Salary increases, including inflation and merit increases	5.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
1-4 years of service						6.400%	6.400%
4+ years of service						4.500%	4.500%
Discount rate	7.750%	7.500%	7.500%	7.400%	7.275%	7.000%	6.950%

See independent auditor's report.

Town of Lockport, Louisiana
Municipal Employees Retirement System
Last Ten Fiscal Years

For Fiscal Year Ended Measurement Date	June 30, 2015 <u>June 30, 2014</u>	June 30, 2016 <u>June 30, 2015</u>	June 30, 2017 <u>June 30, 2016</u>	June 30, 2018 <u>June 30, 2017</u>	June 30, 2019 <u>June 30, 2018</u>	June 30, 2020 <u>June 30, 2019</u>	June 30, 2021 <u>June 30, 2020</u>
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY							
Proportion of the net pension liability	0.077471%	0.081963%	0.093038%	0.089355%	0.089355%	0.082570%	0.077889%
Proportionate share of the net pension liability	\$ 484,665	\$ 642,094	\$ 872,028	\$ 780,107	\$ 725,249	\$ 749,874	\$ 719,876
Covered employee payroll	234,807	219,244	260,620	253,168	257,859	240,580	191,897
Proportionate share of the net pension liability as a percentage of covered employee payroll	206.41%	292.87%	334.60%	308.14%	281.26%	311.69%	375.14%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	70.73%	66.04%	70.08%	71.89%	71.01%	70.94%
SCHEDULE OF CONTRIBUTIONS							
Contractually required contribution	69,061	76,883	84,975	74,849	83,159	78,188	78,368
Contributions made	69,061	76,883	84,975	77,849	83,159	78,188	78,368
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 234,807	\$ 219,244	\$ 260,620	\$ 253,168	\$ 257,859	\$ 240,580	\$ 191,897
Contribution as a percentage of covered employee payroll	29.41%	35.07%	32.60%	30.75%	32.25%	32.50%	40.84%
*Note: Third year of GASB 68 implementation, Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.							
Note to Required Supplementary Information							
<i>Changes of Benefit Terms</i>	no changes	no changes	no changes	no changes	no changes	no changes	no changes
<i>Changes of Assumptions</i>							
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Expected remaining service lives	4 years	4 years	4 years	4 years	4 years	4 years	4 years
Investment rate of return	7.500%	7.500%	7.500%	7.325%	7.200%	7.890%	6.950%
Inflation rate	3.000%	2.875%	2.875%	2.700%	2.600%	2.750%	2.500%
Salary increases, including inflation and merit increases							
1-2 years of service	10.000%	9.750%	9.750%	9.750%	9.750%	9.750%	12.300%
3-23 years of service	4.750%	4.750%	4.750%	4.750%	4.750%	4.750%	4.700%
over 23 years of service	4.000%	4.250%	4.250%	4.250%	4.250%	4.250%	4.700%
Discount rate	7.500%	7.500%	7.500%	7.325%	7.200%	7.125%	6.950%

See independent auditor's report.

SUPPLEMENTAL INFORMATION

Town of Lockport
Schedule of Insurance In Force
As of and for the Year Ended June 30, 2021
(Unaudited)

Name of Insurer	Policy From	Policy To	Details of Coverage	Amount
Louisiana Citizens Property Insurance Co.	9/23/2020	9/23/2021	Property Coverage Town Hall Town Hall Contents Sewer Plant Contents The Locks Boatbuilding Museum Generators (5) Old Police Department Building Storage Building	\$ 1,000,000 150,000 25,000 145,000 300,000 235,260 60,000 120,000
CNA Surety Bond	1/1/2021	1/1/2022	Fidelity Bond- Mayor	5,000
CNA Surety Bond	11/3/2020	11/3/2021	Fidelity Bond- Town Clerk Fidelity Bond- Assistant Town Clerk	10,000 10,000
CNA Surety Bond	8/20/2020	8/20/2021	Clerk	10,000
CNA Surety Bond	1/18/2021	1/18/2024	Fidelity Bond- Mayor Pro Temp	5,000
CNA Surety Bond	3/6/2021	3/6/2022	Fidelity Bond- Secretary	10,000
Louisiana Municipal Risk Management Agency	1/1/2021	1/1/2022	Workman's Compensation	LA Statutes
Louisiana Municipal Risk Management Agency	9/21/2020	9/21/2021	Commercial General Liability Premises per occurrence Medical per person Medical per accident Fire Legal per occurrence	500,000 500,000 1,000 10,000 50,000
Louisiana Municipal Risk Management Agency	9/21/2020	9/21/2021	Automobile Liability Deductible	500,000 none
Louisiana Municipal Risk Management Agency	9/21/2020	9/21/2021	Law Enforcement Officer Deductible per occurrence	500,000 1,000
Louisiana Municipal Risk Management Agency	9/21/2020	9/21/2021	Errors and Omissions Deductible per occurrence	500,000 1,000
Lloyd's/Lane & Assoc	9/21/2020	9/21/2021	Commercial Auto Physical Damage Comp/Collision (Schedule vehicles) Deductible (per unit) Comprehensive Collision as scheduled Specified Parties	ACV or Cost 500 500 250

See independent auditor's report.

Town of Lockport
 Schedule of Compensation, Benefits and Other Payments to Town Heads
 Year Ended June 30, 2021

Purpose	Agency Head Name:	Ed Reinhardt - Mayor
Salary		\$ 16,500
Benefits - insurance		-
Benefits - FICA		2,222
Deferred compensation (agency contributions)		-
Benefits - other		-
Car allowance		-
Cell phone		-
Per diem		-
Travel		417
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Unvouchered expenses		-
Social meals		-
Other		-
TOTAL		\$ 19,139

Purpose	Agency Head Name:	David Harrelson - Police Chief
Salary		\$ 45,360
Supplemental pay (state)		6,000
Benefits - insurance		5,570
Benefits - retirement		17,334
Deferred compensation (agency contributions)		-
Benefits - other (FICA & medicare)		2,282
Car allowance		-
Cell phone		-
Per diem		-
Travel		-
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Unvouchered expenses		-
Social meals		-
Other		-
TOTAL		\$ 76,546

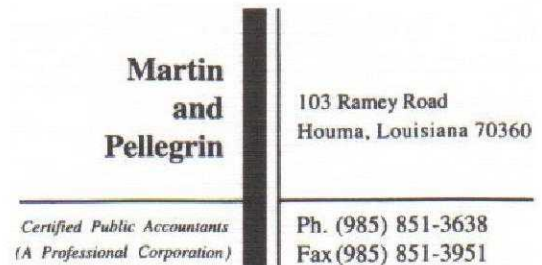
See independent auditor's report.

Town of Lockport
Compensation Paid to Members of the Town Council
Year Ended June 30, 2021

<u>Board Member</u>		
Rodney Hartman	\$	2,400
Bobbie Galjour		2,300
Wayne Bourgeois, Jr.		1,200
Stephen Baudoin		1,200
Gary Acosta		1,200
Ernest Boudreaux		1,200
Tyler Detillier		1,100
Sharon Guidry		800
	<u>\$</u>	<u>11,400</u>

Compensation for Town Council Members is paid at the rate of \$100 per month. Per Diem is paid at the rate of \$100 for attendance at regular monthly meetings and \$50 for attendance at special meetings.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS



INDEPENDENT AUDITOR’S 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

Honorable Paul Champagne, Interim Mayor
and the Members of the Town Council
Lockport, 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 the Town of Lockport, Louisiana (The Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise The Town’s basic financial statements, and have issued our report thereon dated November 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’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 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lockport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



November 19, 2021
Houma, Louisiana

Town of Lockport
Schedule of Findings and Responses
Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Town of Lockport.
2. No deficiencies in internal control over financial reporting were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. A management letter was not issued.
5. The Town did not receive or expend federal funds in excess of \$750,000 during the year.

Section II – Financial Statement Findings

This section is not applicable.

Section III – Findings of Questioned Costs – Major Federal Award Program

This section is not applicable.