

**TOWN OF JEAN LAFITTE**

**FINANCIAL REPORT**

**For the Year Ended  
June 30, 2019**

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## **FINANCIAL SECTION**

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Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 330  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
[www.CRIcpa.com](http://www.CRIcpa.com)

## **INDEPENDENT AUDITORS' REPORT**

Honorable Timothy Kerner, Mayor and  
Members of the Council  
Town of Jean Lafitte, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Jean Lafitte (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express 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 auditors' 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 auditors consider internal control relevant to the Town'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 Town'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 and each major fund of the Town as of June 30, 2019, and the respective changes in financial position 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, Pension Schedules, and budgetary comparison information as listed in the table of contents 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.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The General Fund Schedule of Revenues – Budget to Actual, General Fund Schedule of Expenses – Budget to Actual, Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund, Schedule of Town Council's Compensation, Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer, and Schedule of State Funding are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards ("SEFA") is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The General Fund Schedule of Revenues – Budget to Actual, General Fund Schedule of Expenses – Budget to Actual, Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund, Schedule of Town Council's Compensation, Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer, Schedule of State Funding, and SEFA are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

**Our Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of the Town'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's internal control over financial reporting and compliance.

*Cary Riggs & Ingram, L.L.C.*

December 16, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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# TOWN OF JEAN LAFITTE, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### June 30, 2019

The Management's Discussion and Analysis is intended to provide readers of the Town of Jean Lafitte's (the "Town") financial report with an overview and analysis of the financial activities of the Town for the year ended June 30, 2019. It should be read in conjunction with the financial statements and the notes to the financial statements.

#### FINANCIAL HIGHLIGHTS

- The Auditors' report/opinion was "unmodified" (i.e., a clean opinion) for the year ended June 30, 2019.
- The assets of the Town exceeded its liabilities at June 30, 2019 by \$32,992,762. Of this amount, \$32,037,276 or 97.1% is invested in capital assets, such as land, buildings, equipment, vehicles and infrastructure. \$-0- is restricted for capital projects and the remaining balance of \$955,486 or 2.9% may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's total net position increased by \$1,224,255 during 2019. The majority of this increase has to do with revenues exceeding expenses, along with the capitalization of capital assets.
- Under Government Accounting Standards Board (GASB) Codification Section P20, the Town records its proportionate share of the Net Pension Liability reported by the two pension plans it participates in. At year end, this net pension obligation totaled \$544,313. There are also a number of deferred inflows of resources and deferred outflows of resources related to these pension plans that are recorded at year end and amortized over the next few years. At year end, deferred outflows related to the pension were \$194,414 and deferred inflows were \$66,285.
- At June 30, 2019, the Town's governmental funds reported an ending fund balance of \$1,352,245, a decrease of \$(221,808) from the prior year. This includes \$1,396,854 in the General Fund and a deficit of \$(44,609) in the Capital Projects Fund. The portion of the fund balance that is available for spending at the Town's discretion in the General Fund is \$1,305,525 or 96.6% of the total fund balance and 66.1% of current year expenditures in the General Fund.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis serves as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Also included in the report is required supplementary information.

**Government-wide financial statements.** The government-wide financial statements report information about the overall finances of the Town similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Position presents information on the Town's assets less liabilities which results in net position. The statement is designed to display the financial position of the Town. Over time, increases or decreases in net assets help determine whether the Town's financial position is improving or deteriorating.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

The Statement of Activities provides information showing how the Town's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the Town that are financed primarily by taxes, intergovernmental revenues, and charges for services. The Town's governmental activities include general government, public safety, public works, urban development and housing, and culture and recreation.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The Town uses fund accounting to ensure and demonstrate fiscal accountability. The Town uses governmental fund financial statements to provide more detailed information about the Town's funds.

**Governmental funds.** Governmental funds are used to report the Town's basic services. The funds focus on the inflows and outflows of current resources and the balances of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near-or-short-term view of the Town's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Position and the Statement of Revenues, Expenditures, and Changes in Fund Balances of the governmental funds to the Statement of Activities.

The Town maintains two governmental funds, the **General Fund** and the **Capital Projects Fund**. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for these funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information- Part II.** The new pension accounting and reporting standards require two new historical schedules on the Town's proportionate share of the Net Pension Liabilities for the pension plans it participates in, along with a schedule of pension contributions made. These schedules are included here.

In addition, the Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for this fund in this Section.

**Other information.** Various individual fund statements and schedules for the General Fund and the Capital Projects fund follow the footnotes. Other supplemental information, including the Schedule of Councilperson's Compensation, and the Schedule of State Funds, follow these schedules.

**Compliance Section.** Due to the amount of federal funding, the Town is required to undergo an audit in accordance with the Uniform Administrative Guidance (i.e., Single Audit). The yellow book required auditor reports on internal control and compliance are included here, as well as the Schedule of Expenditures of Federal Awards, and the Schedule of Findings and Questioned Costs.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position.** The following table reflects condensed information on the Town's net position.

<b>Net Position</b>				
<b>Governmental Activities</b>				
<b>June 30,</b>				
	<b>2019</b>		<b>2018</b>	
Current and other assets	\$ 2,906,538		\$ 1,803,243	
Capital assets	32,037,276		30,612,020	
Total assets	<u>34,943,814</u>		<u>32,415,263</u>	
Deferred outflows - pension-related	<u>194,414</u>		<u>249,296</u>	
Current liabilities	1,534,868		249,178	
Non-current liabilities - other	-		-	
Non-current liabilities - pension-related	544,313		568,042	
Total liabilities	<u>2,079,181</u>		<u>817,220</u>	
Deferred inflows - pension-related	<u>66,285</u>		<u>78,832</u>	
Net Position				
Net investment in capital assets	32,037,276	97.1%	30,612,020	96.4%
Restricted for Capital Projects	-	0.0%	30,891	0.1%
Unrestricted				
Designated	-	0.0%	-	0.0%
Undesignated	955,486	2.9%	1,125,596	3.5%
Total net position	<u>\$ 32,992,762</u>	<u>100.0%</u>	<u>\$ 31,768,507</u>	<u>100.0%</u>

The "net investment in capital assets" totals \$32,037,276 and represents the Town's net book value of its capital assets, net of any related debt. It is the accumulation of the Town's investments in capital assets over the years. These assets are not available for spending. The remaining balance of \$955,486 of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Reporting under GASB Codification Section P20 related to pensions results in the recognition of deferred inflows and outflows of resources related to the pension, and a non-current liability for pension obligations.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

**Changes in net position.** The following table reflects condensed information on the Town's revenues and expenses, and its change in net position.

<b>Changes in Net Position</b>		
<b>Governmental Activities</b>		
<b>For the Year Ended June 30,</b>		
	<b>2019</b>	<b>2018</b>
Revenues		
Program Revenues:		
Charges for Services	\$ 438,679	\$ 315,430
Operating Grants and Contributions	633,432	520,748
Capital Grants and Contributions	2,100,102	299,090
General Revenues:		
Taxes	342,609	297,395
Gaming	344,265	342,022
Unrestricted Interest Earnings	28,515	8,473
Insurance Proceeds	20,000	-
Miscellaneous Revenues	10,779	30,677
Total Revenues	3,918,381	1,813,835
Expenses		
General Government	1,314,431	1,335,304
Public Safety	183,449	157,281
Public Works	252,881	252,392
Urban Development and Housing	403,546	176,597
Culture and Recreation	538,839	540,544
Interest on Long-term Debt	980	1,285
Total Expenses	2,694,126	2,463,403
Change in Net Position	1,224,255	(649,568)
Net Position - Beginning	31,768,507	32,418,075
Net Position - Ending	\$ 32,992,762	\$ 31,768,507

**Charges for services** include licenses and permits, facility rentals, fines and forfeitures, and special event charges. For 2019, this category was up \$123,249 due to 1) an increase in facility rentals of \$19,094 due to both the Auditorium and the Seafood Market buildings being available all year for rentals, 2) an increase of \$14,952 in licenses and permits (mostly in occupational licenses and building permits), 3) an increase of \$69,383 in fines and forfeitures (due to the implementation of traffic cameras in the area), and 4) an increase of \$20,068 in special event revenues (as the Town hosts dances and social events in the Auditorium and Seafood Market).

**Operating grants** include state allocations for parish transportation funds, beer taxes, senior citizen utilities grants, on-behalf payments made to the pension plan by non-employer entities, CDBG housing assistance grants, and donations other sources. This category increased \$112,684 compared to the prior year due to 1) a decrease of \$(77,246) in funding from the Parish for the Seafood Market opening, 2) a decrease of \$(2,731) in Victim's Assistance Grant revenues, 3) an increase of \$226,949 in the JP/CDBG – Home Investment Program, 6) an increase of \$34,749 in tourism grants from the Parish, and 4) a decrease of \$(34,749) in advertising/tourism grants from the Parish. This CDBG federal program is flowing funds through the Town to help elevate or repair a number of houses that were previously damaged by hurricanes. The project got underway in 2015 and made significant progress in 2018 and 2019.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

**Capital Grants** include various grants from federal, state and parish/local sources to help fund major construction activity in the Town. This includes CDBG Disaster Recovery Grants, FEMA grants, police equipment grants, State Capital Outlay funds, and miscellaneous grants from the Parish for repairs and improvements. This category was up \$1,801,012 over the prior year due to the following: 1) FEMA disaster funds (down \$76,992), 2) FEMA Retrofit grant to "harden" the Town Hall (up \$42,500), 3) CDBG Disaster Recovery Grants related to the construction of Seafood/Fisherman's Market, the Auditorium, and drainage work in the area (up \$1,460,839), 4) DOTD grants for sidewalks/drainage (up \$311,737), 5) State Capital Outlay money for the Seafood Market (up \$61,873), 6) funding from Jefferson Parish for the auditorium project (down \$148,589), and 7) fund from Jefferson Parish for sidewalks (up \$150,000).

**Taxes** include sales taxes for general operations and law enforcement, as well as franchise taxes from various utility and cable companies. This revenue was up \$45,214, due to increases in sales taxes (up \$45,152) and franchise fee revenues (up \$62).

**Gaming** includes money received from the Parish for the Town's allocation of Boomtown Belle Casino boarding fees (the Town receives 5% of the fees) and the allocation received from the State for video poker machines within the Town limits. This category went up \$2,243, mostly due to an increase in fees from the Boomtown Belle Casino boarding fee.

**Unrestricted interest** was up \$20,042 as more funds were on hand during the year earning interest for the Town.

**Insurance Proceeds and Miscellaneous Revenues** were up (down) \$20,000 and \$(19,898), respectively. Insurance proceeds were up due to an insurance claim received.

**Expenses** totaled \$2,694,126 for 2019, an increase of \$230,723. The **General Government Function** was down \$(20,873) due to decreases in pension expense (down \$13,626) and a drop in depreciation expense (down \$10,385). These decreases were offset by slight increases in operating costs. **Public Safety** costs went up \$26,168 due to a decrease in salaries and benefits, a decrease in supplies and Victim's Assistance Grant expenses, an increase in pension expense (up \$21,249), and an increase in Redflex collection fees. **Public Works** were up \$489. **Urban Development and Housing Function** was up \$226,949 due mainly to the JP/CDBG Home Investment Program, which is paying for the elevation or repair of a number of homes in the area that were damaged by previous hurricanes. Due to delays, more work was done in 2019 than in the previous year. **Culture and Recreation** decreased \$(1,705) due to a \$(791) decrease in depreciation (as capital projects that were completed last year are now being depreciated), a \$6,129 increase in special events (more dances and social events), and a decrease of \$(8,107) in tourism costs (as a parish grant was spent on advertising).

#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. To accomplish this, the Town maintains two "governmental funds" – the General Fund and the Capital Projects Fund. The focus on these governmental funds is to provide information on near-term inflows, outflows, and spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

As of June 30, 2019, the Town's governmental funds reported combined ending fund balances of \$1,352,245, a decrease of \$(221,808) from the prior year. \$91,329 or 6.8% is classified as *non-spendable fund balance*, and the balance of \$1,260,916 or 93.2% is classified as *unassigned fund balance*, which is available or spending at the Town's discretion. This amount is a net of the General Fund's *unassigned fund balance* of \$1,305,525 and the Capital Projects fund's *unassigned fund balance* of \$(44,609) at year-end.

Overall, revenues of the Town's governmental funds have varied over the years due to amount and timing of funding from federal, state, and parish/local grants. For the year ended June 30, 2019, governmental revenues totaled \$3,950,362. Of this amount, \$1,844,203 was recorded in the General Fund and \$2,106,159 was in the Capital Projects Fund. While the General Fund revenues are derived from various sources, the Capital Projects Fund revenues are mostly federal, state or parish/local grants.

The **General Fund** is the Town's chief operating fund. At year end, total fund balance was \$1,396,854. Unassigned fund balance of the General Fund totaled \$1,305,525, which is 96.6% of the total governmental fund balance. As a measure of the liquidity of the General Fund, it may be useful to compare the unassigned fund balance to total fund expenditures. For 2019, the unassigned fund balance equaled 66.1% of the current year expenditures of the fund (down from 89.3% last year).

The General Fund's revenues totaled \$1,844,203 for 2019.

- Taxes totaled \$342,608, including sales taxes of \$252,667 and franchise taxes of \$89,942. In total, this was an increase of \$45,215 or 15.2% from last year (mostly in sales taxes).
- Intergovernmental revenues totaled \$656,827, including \$448,925 from federal grants, \$190,990 from state grants and allocations, and \$16,912 from parish/local grants. In total, this was an increase of \$33,470 or 5.4% over last year. As noted previously, the majority of this increase had to do with the federal grants, particularly CDBG Housing Assistance grants, offset by drops in FEMA Public Assistance grants and Parish grants for tourism and for the Seafood Market opening.
- Licensees and permits totaled \$70,322, which was an increase of \$14,951 or 27.0% from last year, mostly in occupational licenses and building permits.
- Service charges, rentals and fees totaled \$125,868. In total, this was an increase of \$19,094 or 17.9% over last year (mostly due to facility rentals going up as both the Auditorium and the Seafood Market were available for rent for the entire year).
- Fines and forfeitures totaled \$177,608, which was an increase of \$69,383 or 64.1% over last year (due to the implementation of traffic cameras in the Town).
- Gaming fees and commissions totaled \$344,265, including \$344,265 from the Boomtown Casino boarding fees and \$-0- from video poker allocations. In total, this was an increase of \$2,243 or 0.7% from last year. Video Poker is down due to an error in the state distribution formula which erroneously sent the Town's allocation to the Parish. The Town is working with the State Department of Gaming to correct this.
- Other income totaled \$98,189, which is up \$16,428 or 20.1%, mainly from 1) a \$20,000 insurance claim received, 2) an increase of \$20,068 in special events (as the Town had more dances and social events at the Auditorium and Seafood Market), and 3) a drop of \$(19,901) in miscellaneous revenues.

Expenditures of the General Fund totaled \$1,975,813, which was \$345,625 or 21.2% more than last year. The largest changes were seen in General Government Function which saw changes in salaries and benefits (up \$3,301 - due mostly to increases in health insurance premiums and retirement), and general and administrative costs (up \$2,666 - due to various increases and decreases in several line-items - auditing, auto and truck costs, emergency costs, food bank expenditures, insurance, janitorial, legal costs, office supplies, repairs and maintenance, travel to conventions, and utilities). The Public Safety function went up \$4,919 due to an increase in Redflex collection fees offset by drops in salaries, supplies, and Victim's Assistance Grant costs. The Public Works Function was up \$487 due a drop an increase in road maintenance costs. The Urban Planning and Housing Function was up \$226,949 as the CDBG Housing Assistance project had increased activity on it.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

The Culture and Recreation Function was down \$(913) due to increases in special events (more dances and social events) and artists costs, offset by drops in tourism costs (advertising costs) and senior center costs. Debt Service was up \$80,574 as the Town paid off the balance of the FEMA loan. Finally, capital outlay went up \$27,642 as security cameras were added to several facilities.

The **Capital Projects Fund** incurred \$2,196,357 on various construction projects, including the CDBG-Hurricane Isaac drainage project for improvements, the new Lafitte Sidewalk Beautification project, and the Town Hall retrofit project. This included \$383,654 in architect fees, \$1,812,264 in construction costs, and \$439 in other expenditures. 2,106,159 was recognized as revenue, after recording \$40,181 as deferred inflows - unavailable grant revenues. The General Fund also transferred \$14,698 to this fund to help cover costs on a project.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted revenues of the General Fund were increased \$121,900 to reflect 1) an increase of \$39,000 in taxes, 2) an increase of \$5,250 in intergovernmental revenues (primarily for an increase in FEMA grants (up \$17,250), offset by decreases of \$(8,000) in police grants and \$(4,000) in Parish Transportation Funds), 3) a decrease of \$(23,000) in service charges, rentals, and fees (as facility rentals came in lower than expected), 4) an increase of \$85,750 in fines and forfeitures (as traffic camera ticket revenues increased), 5) an increase of \$5,000 in gaming fees and commissions, 6) an increase of \$23,500 in interest income (as more funds on hand equated to higher interest income), and 7) a decrease of \$(22,350) in other income (mainly due to a decrease in special events, offset by an increase on insurance proceeds and miscellaneous income. Expenditures increased \$227,799. General Government costs increased \$76,200 mostly due to 1) an increase of \$65,000 in repairs and maintenance (as additional repairs were needed on facilities and vehicles), 2) an increase of \$12,500 to legal costs (due to outstanding lawsuits involving the auditorium project), 3) increases and decreases netting \$5,250 in salaries and benefits (related to anticipated increased in retirement costs and health premiums), and 4) a drop of \$(24,500) in insurance (due to lower premiums). The Public Safety Function was increased \$54,000 to reflect the grossing up of Redflex ticket revenues and commissions. The Culture and Recreation Function was increased \$17,275 mostly for an increase of \$17,000 in expected tourism related costs. Debt Service was increased \$80,574 to reflect payments of principal and interest made by the Town on the FEMA Disaster Loan.

The Town's General Fund actual revenues were lower than the budget by \$(43,497) or 2.3%. This is principally due to the Town collecting less than expected on the CDBG Housing project. The Town's general fund actual expenditures were under budget by \$13,836 or 0.7%. The General Government Function was over budget by \$3,057, primarily due to repairs and maintenance coming in over budget. The Public Safety Function was \$17,474 under budget, due to lower than expected costs in the Redflex collection fees and the Victim's Assistance Grant. The Urban Planning and Housing Function was \$41,454 under budget, as the CDBG Housing Assistance project came in under the expected amount. The Culture and Recreation Function was \$11,681 over budget due to special event costs coming in higher than expected. The Capital Outlay expenditures were \$30,426 over budget due to the installation of the security cameras late in the year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The following table reflects the Town's investment in capital assets, net of depreciation, as of June 30, 2019.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2019**

	<b>Capital Assets, Net</b>	
	<b>Governmental Activities</b>	
	<b>June 30,</b>	
	<u><b>2019</b></u>	<u><b>2018</b></u>
Land	\$ 690,985	\$ 690,985
Land Improvements	244,698	264,915
Buildings	19,310,818	19,823,278
Building Improvements	1,155,957	1,229,241
Furniture, Fixtures, and Equipment	286,835	288,199
Vehicles and Heavy Equipment	65,733	81,159
Infrastructure (Roads and Drainage)	7,934,904	8,083,254
Construction in Progress	2,347,346	150,989
Net Investment in Capital Assets	<u>\$ 32,037,276</u>	<u>\$ 30,612,020</u>

The majority of the capital additions for the year were for furniture and fixtures (security cameras) and construction in progress as the Town continues to make capital improvements for drainage, sidewalks, and the Town Hall retrofit. Depreciation expense for the year ended June 30, 2019 was \$801,527, as compared to \$812,701 for the year ended June 30, 2018.

**Long-term Debt.** At year end, the Town had long-term debt of \$0-. The Town paid off the Community Disaster Loan from FEMA for Hurricane Gustav during 2019, making a payment of \$68,719 in principal, along with \$11,855 of accrued interest on the loan. The Town had originally borrowed \$279,063 but was given a partial forgiveness of the loan balance in April 2015. The Town obtained a five-year extension on repayment of the loan and made the final payment in 2019.

**Net Pension Liability.** On the Statement of Net Position, the Town is also showing a non-current liability – pension-related totaling \$544,313. This represents the Town's proportionate share of the Net Pension Liabilities of the Municipal Employees' Retirement System (\$544,313) and the Municipal Police Employees' Retirement System (\$0-). Under GASB Statement No. 68, the Town recognizes its share of the pension liabilities on its government-wide financial statements. This liability saw a decrease in the current year (down \$23,729) due to slightly higher than expected earnings, along with changes in assumptions, changes in proportionate share, changes in experience, etc.

**ECONOMIC OUTLOOK**

- The unemployment rate for the Parish of Jefferson is currently 4.6 percent, which is 0.8 percent less than it was a year ago. In the fishing community of Lafitte, which is heavily dependent on offshore oil, tourism and commercial fisheries (primarily shrimping), the rate tends to be slightly higher at times.
- Inflationary trends in the region compare favorably to national indices.
- The Town is continuing its program of drainage/sidewalk improvements and construction projects, most of which are being funded through Federal, State and Parish/Local grants. These construction projects include the CDBG drainage improvements in the Town and the sidewalk beautification project.

**FURTHER INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Mayor or Town Clerk at 2654 Jean Lafitte Blvd., Lafitte, LA 70067 or call (504) 689-2208 during office hours.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF JEAN LAFITTE, LOUISIANA**

**STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 165,543
Investments	1,023,045
Receivables	1,626,621
Prepaid items	91,329
Total current assets	<u>2,906,538</u>
Capital Assets, net of depreciation	<u>32,037,276</u>
Total Assets	<u>34,943,814</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows - pension-related	<u>194,414</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	1,496,725
Salaries and benefits payable	25,482
Unearned revenues	12,661
Loans payable - Community Disaster Loan	-
Accrued interest payable - Community Disaster Loan	-
Non-Current Liabilities:	
Net pension liability	544,313
Total current liabilities	<u>2,079,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - pension-related	<u>66,285</u>
<b>NET POSITION</b>	
Net investment in capital assets	32,037,276
Restricted for capital projects	-
Unrestricted	955,486
Total Net Position	<u>\$ 32,992,762</u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF JEAN LAFITTE, LOUISIANA

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
<b>Governmental Activities:</b>					
General Government	\$ 1,314,431	\$ 196,190	\$ 201,719	\$ 19,531	\$ (896,991)
Public Safety	183,449	177,608	28,167	-	22,326
Public Works	252,881	-	-	2,064,881	1,812,000
Urban Development and Housing	403,546	-	403,546	-	-
Culture and Recreation	538,839	64,881	-	15,690	(458,268)
Interest on Long-term Debt	980	-	-	-	(980)
Total Governmental Activities	<u>\$ 2,694,126</u>	<u>\$ 438,679</u>	<u>\$ 633,432</u>	<u>\$ 2,100,102</u>	<u>478,087</u>

**General Revenues:**

Taxes	
Sales taxes	252,667
Franchise taxes	89,942
Gaming	
Boomtown fees	344,265
Video poker	-
Unrestricted interest	28,515
Insurance proceeds	20,000
Miscellaneous revenues	10,779
Total General Revenues	<u>746,168</u>
Change in net position	1,224,255
Net Position - Beginning of year	31,768,507
Net Position - end of year	<u>\$ 32,992,762</u>

The notes to the basic financial statements are an integral part of this statement.

**TOWN OF JEAN LAFITTE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2019**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 165,543	\$ -	\$ 165,543
Investments	1,023,045	-	1,023,045
Receivables	147,295	1,479,326	1,626,621
Due from other funds	69,512	-	69,512
Prepaid items	91,329	-	91,329
Total Assets	<u>\$ 1,496,724</u>	<u>\$ 1,479,326</u>	<u>\$ 2,976,050</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 42,302	\$ 1,454,423	\$ 1,496,725
Salaries and benefits payable	25,482	-	25,482
Due to other funds	-	69,512	69,512
Unearned grant revenues	12,661	-	12,661
Total liabilities	<u>80,445</u>	<u>1,523,935</u>	<u>1,604,380</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable grant revenue	<u>19,425</u>	<u>-</u>	<u>19,425</u>
<b>FUND BALANCES</b>			
Non-spendable	91,329	-	91,329
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,305,525	(44,609)	1,260,916
Total fund balances	<u>1,396,854</u>	<u>(44,609)</u>	<u>1,352,245</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,496,724</u>	<u>\$ 1,479,326</u>	<u>\$ 2,976,050</u>

The notes to the basic financial statements are an integral part of this statement.

**TOWN OF JEAN LAFITTE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2019**

Total fund balances at June 30, 2019 - Governmental Funds \$ 1,352,245

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

Some of the grants receivable are not available to pay for current period expenditures and, therefore, are reported as deferred inflows (unavailable grant revenues) in the fund financial statements. 19,425

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.  
Capital assets 47,578,876  
Less accumulated depreciation (15,541,600)

Deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred and expensed as consumed.  
Deferred outflows - pension-related 194,414

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities at year-end consist of:  
Net pension liability (544,313)

Deferred inflows related to the pension plans are not yet available and, therefore, are deferred and recognized as revenue in future periods.  
Deferred outflows - pension-related (66,285)

Net position of governmental activities at June 30, 2019 \$ 32,992,762

The notes to the basic financial statements are an integral part of this statement.

TOWN OF JEAN LAFITTE, LOUISIANA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 342,608	\$ -	\$ 342,608
Intergovernmental			
Federal	448,925	1,956,159	2,405,084
State	190,990	-	190,990
Parish/local	16,912	150,000	166,912
Licenses and permits	70,322	-	70,322
Service charges, rentals and fees	125,868	-	125,868
Fines and forfeitures	177,607	-	177,607
Gaming fees and commissions	344,265	-	344,265
Interest	28,515	-	28,515
Other	98,191	-	98,191
Total Revenues	<u>1,844,203</u>	<u>2,106,159</u>	<u>3,950,362</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,163,857	-	1,163,857
Public safety	201,527	-	201,527
Public works	678	-	678
Urban development and housing	403,546	-	403,546
Culture and recreation	95,205	-	95,205
Debt Service:			
Principal	68,719	-	68,719
Interest	11,855	-	11,855
Capital Outlay	30,426	2,196,357	2,226,783
Total Expenditures	<u>1,975,813</u>	<u>2,196,357</u>	<u>4,172,170</u>
Excess of Revenues over Expenditures	(131,610)	(90,198)	(221,808)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	14,698	14,698
Transfers out	(14,698)	-	(14,698)
Total Other Financing Sources (Uses)	<u>(14,698)</u>	<u>14,698</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(146,308)</b>	<b>(75,500)</b>	<b>(221,808)</b>
<b>FUND BALANCES</b>			
Beginning of year	1,543,162	30,891	1,574,053
End of year	<u>\$ 1,396,854</u>	<u>\$ (44,609)</u>	<u>\$ 1,352,245</u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF JEAN LAFITTE, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$	(221,808)
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		(40,181)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	\$ 2,226,783	
Depreciation Expense	<u>(801,527)</u>	1,425,256
Some expenses are 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:		
Payment of principal on long-term debt	68,719	
Payment of interest on long-term debt	11,855	
Current year interest expense on long-term debt	<u>(980)</u>	79,594
In the Statement of Activities, certain pension-related inflows and outflows of resources are recognized in the current year, while others are deferred. The net effect of these pension-related transactions are as follows:		
Current year pension (expense) benefit per the retirement systems		(89,356)
Current year amortization of certain deferred inflows and outflows		150
Recognition of On-Behalf Payments made to pension plan by non-employer entities		8,200
Deferral of current year pension contributions made by employer		62,400
Changes in Net Position of Governmental Activities	<u>\$</u>	<u>1,224,255</u>

The notes to the basic financial statements are an integral part of this statement.

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**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Jean Lafitte, Louisiana (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below:

**A) Financial Reporting Entity**

The Town of Jean Lafitte was incorporated in 1974 under the provisions of the Lawrason Act. The Town is governed by a Mayor, Council form of government (R.S. 33:321-481). The Town's major operations include general administrative services, public safety, public works, urban development and housing, and culture and recreational services. The accompanying financial statements include all government activities, organizations, and functions for which the Town is financially accountable.

**B) Basis of Presentation**

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the Town. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are financed 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 segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

The accounts and operations of the Town are organized into "funds", each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are provided for each governmental fund operated by the Town. Emphasis is now on the major funds in either the governmental or business-type categories. Nonmajor funds (by category) or fund type are normally summarized into a single column. The Town has no nonmajor funds.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Town reports only governmental funds of which the following represents the major governmental funds:

The *General Fund* is the principal fund of the Town and is used to account for all activities except those required to be accounted for in other funds.

The *Capital Projects Fund* is used to account for ongoing major capital improvement and construction projects.

**C) Basis of Accounting and Measurement Focus**

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

All governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the resources will be collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Taxes and fees collected and held by intermediary collecting governments at year end on behalf of the Town are recognized as revenue. As such, the Town considers sales taxes collected within 60 days of year-end to be available. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within six months after amount becomes due). Other revenues susceptible to accrual are intergovernmental revenues, grants and franchise fees. Fines, forfeitures, rentals, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, except, principal and interest on general long-term debt, which is not recognized until due. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Town may also report unearned revenues on its balance sheet. Unearned revenues arise when potential revenues are transmitted before the eligibility requirements are met (excluding time requirements). These items are carried as a liability until both revenue recognition criteria are met, or when the Town has a legal claim to the resources. When earned, the unearned revenue is removed from the balance sheet and recognized as revenue.

**D) Assets, Liabilities, and Fund Equity**

**1. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

For reporting purposes, cash includes demand deposits and petty cash.

Louisiana Revised Statutes, LSA - R.S. 33:2955, authorize the Town to invest in (1) United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investment, or (2) mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool. (LAMP), a state sponsored external investment pool.

**2. ACCOUNTS RECEIVABLE**

Accounts receivable are recorded for sales tax, franchise fees, and intergovernmental revenues, and grants. All receivables were considered fully collectible at year-end, therefore, no allowance has been provided.

**3. INTERFUND RECEIVABLES/PAYABLES**

Activity between the Town's two funds represent short-term lending/borrowing arrangements outstanding at year end and are referred to as either "due from or due to other funds" (i.e., the current portion of the interfund loan). As a general rule, interfund balances are eliminated for purposes of the government-wide financial statements.

**4. INVENTORIES**

The costs of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2019 would not be material to the financial statements.

**5. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These amounts will be expended as their benefit expires.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**6. CAPITAL ASSETS**

Capital assets include land, land improvements, buildings and building improvements, equipment, vehicles and heavy equipment, and infrastructure assets. All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at completion of construction projects. In the fund financial statements, capital assets used in governmental activities are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Depreciation on capital assets, excluding land and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Category</u>	<u>Estimated Life in Years</u>
Land improvements	20
Buildings	40
Building improvements	20
Furniture, fixtures, and equipment	5 - 12
Vehicles and heavy equipment	5 - 10
Infrastructure (Roads and Drainage)	20 - 40

**7. COMPENSATED ABSENCES**

Annual and sick leave is expended when claimed by the employees rather than when earned. Employees may not carry over or accumulate annual or sick leave. Employees are required to use their annual leave during the year following his/her anniversary date of employment. In the opinion of the Town's Administration, the liability due at June 30, 2019 would not be material to the financial statements.

**8. LONG-TERM DEBT**

In the government-wide financial statements, long-term debt is reported as a noncurrent liability in the governmental activities Statement of Net Position. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Payments of principal and interest are recorded as expenditures only when due.

**9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

In addition to assets, the statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred Outflows of Resources* represent a consumption of net position that applies to a future period and so it will *not* be recognized as an outflow of resources (expense/expenditure) until then. *Deferred Inflows of Resources* represent an acquisition of net position that is applicable to a future reporting period and so it will not be recognized as an inflow of resources (revenue) until then.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Town currently reports a deferred inflow related to unavailable grant revenues, as well as deferred inflows and outflows of resources related to its participation in two defined benefit pension plans.

**Deferred Inflows – Unavailable Grant Revenues.** Under the modified accrual basis of accounting, the Town recognizes revenues on expenditure-driven grants when they are both measurable and available (i.e., received during the period or within six months of the fiscal year end). When these revenues are considered “unavailable”, they are recorded on the governmental fund balance sheet as a deferred inflow of resources until they are received and recognized as revenue.

**Deferred Outflows and Deferred Inflows – Pension Related.** 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 and the Municipal Police Employees’ Retirement System, and additions to/deductions from the retirement systems’ fiduciary net position have been determined on the same basis as they are reported by the systems. The Town reports both deferred outflows or resources and deferred inflows of resources related to the pension liability calculation. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of the systems are reported at fair value.

**10. FUND EQUITY**

In accordance with GASB Codification Section 1800.142-162, fund balances of the governmental fund types are categorized into classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – Non-spendable, Restricted, Committed, Assigned and Unassigned.

*Non-spendable* – This component includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision making authority which include an ordinance of the Town. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action (i.e., ordinance) it employed previously to commit those amounts.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Assigned* – This component consists of amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Town Council, Mayor, or their designee as established in the Town’s Fund Balance Policy.

*Unassigned* – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

**11. ACCOUNTING ESTIMATES**

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

**12. SUBSEQUENT EVENTS**

The Town has evaluated subsequent events through December 16, 2019, the date the financial statements were available to be issued.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A) Budget Adoption**

Formal budgetary accounting is employed as a management control device during the year for the General Fund. Capital Project Fund budgets are not presented since the funds are budgeted over the life of the respective projects and not on an annual basis.

The level of budgetary control in the General Fund is at the line-item level. Expenditures may not exceed appropriations until additional appropriations are provided. Appropriations which are not expended lapse at the end of each fiscal year. The budget for the General Fund is adopted on a basis consistent with GAAP. Budgetary comparisons presented in the accompanying financial statements are on a GAAP basis and include the original budget and all subsequent revisions.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The procedures used by the Town in establishing the budgetary data reflected in the financial statements are as follows:

- 1) Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- 2) The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- 3) The budget is then legally enacted through an ordinance adopted by the Council.
- 4) Any revisions that alter the total expenditures of the General Fund or line item changes within the General Fund must be approved by the Council.

Budgeted amounts are as originally adopted and as finally amended by resolutions or motions of the Council through the end of the fiscal year.

**B) Budget Amendments**

The Town made supplemental budgetary adjustments during the year, the final one being made via Ordinance No. 499. Revenues of the General Fund were increased \$121,900 to reflect 1) an increase of \$39,000 in taxes, 2) an increase of \$5,250 in intergovernmental revenues (primarily for an increase in FEMA grants of \$17,250, a decrease of \$(8,000) in Police Equipment Grants, and a decrease of \$(4,000) in State Parish Transportation Funds), 3) an increase of \$8,750 in licenses and permits, 4) a decrease of \$(23,000) in service charges, rentals and fees (primarily in facility rentals), 5) an increase of \$85,750 in fines and forfeitures (due to the implementation of traffic cameras), 6) an increase of \$5,000 in gaming fees and commissions, 7) an increase of \$23,500 in interest income (due to higher cash balances), and 8) a decrease of \$(22,350) in other income (mainly due to increases in insurance proceeds (up \$20,000), offset by a drop in special events and festivals (down \$(50,000))).

Expenditures increased \$227,799. The most significant of the changes made are described below.

<b>Fund/Function</b>	<b>Original Budget</b>	<b>Amendments</b>	<b>Final Budget</b>
General Government	\$ 1,084,600	\$ 76,200	\$ 1,160,800
Public Safety	165,000	54,000	219,000
Public Works	1,000	(250)	750
Urban Development and Housing	445,000	-	445,000
Culture and Recreation	66,250	17,275	83,525
Debt Service	-	80,574	80,574
Capital Outlay	-	-	-
	<u>\$ 1,761,850</u>	<u>\$ 227,799</u>	<u>\$ 1,989,649</u>

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

General Government costs increased \$76,200 mostly due to 1) an increase of \$5,250 in salaries and benefits (related to anticipated increased in salaries and health premiums), 2) an increase of \$65,000 in utilities (due to having more facilities open and problems with air conditioning units at various locations), 3) an increase in accounting and auditing fees of \$3,750 (due to new procedures required by State Auditor), 4) a n increase of \$4,500 in auto and truck costs, 5) a decrease of \$(24,500) in insurance premiums, 6) an increase of \$12,500 in legal and magistrate fees, 7) an increase of \$9,500 in miscellaneous expenses, and 8) an increase of \$5,000 office expenses.

Public Safety increased \$54,000 due to an increase in Redflex collection fees (due to new traffic camera system and the grossing up of collections to reflect receipts and expenditures).

Culture and Recreation went up \$17,275 mostly due to a \$17,000 increase in tourism costs (as money from the Parish was received dedicated to this).

Debt Service was increased by \$80,574 to reflect the principal (\$68,719) and interest (\$11,855) made on the FEMA Disaster loan during 2019.

**C) Expenditures in Excess of Budget**

The General Fund's actual expenditures were less than the final budget by \$13,836. While the General Fund expenditures were within 0.7 percent of budget in total, the following functions had expenditures in excess of budget.

<b>Function</b>	<b>Actual Costs</b>	<b>Budget</b>	<b>Excess</b>
General Government	\$ 1,163,857	\$ 1,160,800	\$ 3,057
Culture and Recreation	95,205	83,525	11,680
Capital Outlay	30,246	-	30,246

The General Government Function was over budget in general and administrative costs, mostly in repairs and maintenance. The Culture and Recreation Function was over budget mainly in special events (costs came in higher than expected). Capital outlay was over budget due to some purchases of security cameras at various public buildings late in the year that were not expected.

All of these overages were covered with available fund balance in the General Fund.

**NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**A) Cash**

At June 30, 2019, the carrying amount of the Town's cash deposits was \$165,543 and the bank balance was \$179,444, all of which was covered by Federal depository insurance or by collateral consisting of securities held by the Town's agent in its name.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**B) Investments**

Investments held at June 30, 2019 consist of \$1,023,045 invested in the Louisiana Asset Management Pool (LAMP); a State of Louisiana sponsored external investment pool. Because these investments are not evidenced by securities that exist in physical or book entry form they are not categorized in one of the Custodial Risk categories required by GASB. LAMP is administered by LAMP, Inc., a corporation organized under the laws of the State of Louisiana. Only local governments may participate in LAMP.

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. The dollar weighted average portfolio maturity of LAMP is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of a share in LAMP is the same as the book value (i.e., a share in the pool is always worth \$1.00 per share). Investments are stated at fair value in accordance with GASB Codification Section I50.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2019 consist of the following:

Receivable	General Fund	Capital Projects Fund	Total
Taxes	\$ 47,628	\$ -	\$ 47,628
Service charges and fees	6,385	-	6,385
Intergovernmental			
Federal - FEMA	19,425	-	19,425
Federal - Other	15,598	1,479,326	1,494,924
State	19,588	-	19,588
Parish/Local	16,912	-	16,912
Licenses and permits	53	-	53
Fines and forfeitures	3,187	-	3,187
Gaming	18,498	-	18,498
Interest	21	-	21
Other	-	-	-
	<u>\$ 147,295</u>	<u>\$ 1,479,326</u>	<u>\$ 1,626,621</u>

The Town considers all receivables to be collectible; therefore, no allowance for uncollectibles has been set up. The amounts recorded in the Capital Projects Fund relate to ongoing projects being funded with federal, state, and parish/local funds (See Note 5).

The Town is owed \$19,425 from FEMA for hurricane-related claims from prior year storms. Since GOHSEP has not remitted these funds within six months of their filing, they are considered “unavailable” and are presented as “deferred inflows – unavailable grant revenues” on the governmental fund balance sheet of the General Fund. See Note 11.C for additional information on these claims.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 4 – RECEIVABLES (CONTINUED)**

The \$15,598 receivable from Federal – Other in the General Fund has to do with various grants (JP/CDBG Housing Assistance Project, Victim’s Assistance, and other police-related grants). In the Capital Projects Fund, the \$1,479,326 is made up of \$1,075,521 receivable on the CDBG Disaster Recovery – Hurricane Isaac Drainage Improvements Project, \$42,500 due from FEMA for a Hazard Mitigation grant, and \$\$361,304 due from DOTD on the Lafitte Sidewalk Project (See Note 5).

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity of the governmental funds for the year ended June 30, 2019 was as follows:

	Balance 6/30/2018	Additions	Deletions	Transfers	Balance 6/30/2019
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 690,985	\$ -	\$ -	\$ -	\$ 690,985
Construction in progress	150,989	2,196,357	-	-	2,347,346
Total capital assets not being depreciated	<u>841,974</u>	<u>2,196,357</u>	<u>-</u>	<u>-</u>	<u>3,038,331</u>
Capital assets being depreciated:					
Land improvements	465,835	-	-	-	465,835
Buildings	24,614,278	-	-	-	24,614,278
Building improvements	2,113,982	-	-	-	2,113,982
Furniture, fixtures, and equipment	756,316	30,426	-	-	786,742
Vehicles and heavy equipment	520,717	-	-	-	520,717
Infrastructure (roads/drainage)	16,038,991	-	-	-	16,038,991
Total capital assets being depreciated	<u>44,510,119</u>	<u>30,426</u>	<u>-</u>	<u>-</u>	<u>44,540,545</u>
Less accumulated depreciation for:					
Land improvements	(200,920)	(20,217)	-	-	(221,137)
Buildings	(4,791,000)	(512,460)	-	-	(5,303,460)
Building improvements	(884,741)	(73,284)	-	-	(958,025)
Furniture, fixtures, and equipment	(468,117)	(31,790)	-	-	(499,907)
Vehicles and heavy equipment	(439,558)	(15,426)	-	-	(454,984)
Infrastructure (roads/drainage)	(7,955,737)	(148,350)	-	-	(8,104,087)
Total accumulated depreciation	<u>(14,740,073)</u>	<u>(801,527)</u>	<u>-</u>	<u>-</u>	<u>(15,541,600)</u>
Capital assets being depreciated, net					
Land improvements	264,915	(20,217)	-	-	244,698
Buildings	19,823,278	(512,460)	-	-	19,310,818
Building improvements	1,229,241	(73,284)	-	-	1,155,957
Furniture, fixtures, and equipment	288,199	(1,364)	-	-	286,835
Vehicles and heavy equipment	81,159	(15,426)	-	-	65,733
Infrastructure (roads/drainage)	8,083,254	(148,350)	-	-	7,934,904
Total capital assets being depreciated, net	<u>29,770,046</u>	<u>(771,101)</u>	<u>-</u>	<u>-</u>	<u>28,998,945</u>
Total Governmental Activities					
capital assets, net	<u>\$ 30,612,020</u>	<u>\$ 1,425,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,037,276</u>

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the functions of the governmental activities in 2019 as follows:

<u>Function</u>	
General Government	\$ 99,459
Public Safety	6,231
Public Works	252,203
Urban Development and Housing	-
Culture and Recreation	443,634
	<u>\$ 801,527</u>

Construction in progress at June 30, 2019 consisted of the following projects:

<u>Project</u>	<u>Construction In Progress</u>	<u>Expended During 2019</u>
Auditorium Demolition and Construction	\$ -	\$ -
CDBG Disaster Recovery Drainage Projects:	-	-
Hurricane Isaac Drainage Improvements	1,714,663	1,603,674
Lafitte Sidewalk Beautification	576,016	536,016
Town Hall Retrofit (Hazard Mitigation)	56,667	56,667
	<u>\$ 2,347,346</u>	<u>\$ 2,196,357</u>

Construction in progress is being funded primarily by Federal, State and Parish/Local grants. With certain projects, the Town is responsible for matching funds.

The Auditorium construction project is complete; however, the Town has a dispute with the contractor and has withheld liquidated damages of \$272,500 from billings. This amount has not been accrued as payable at year-end since it is the Town's contention that the contractor caused delays in the project and punch list items had to be fixed. The terms of the contract allow for such a withholding for liquidated damages. The Auditorium was placed into service on December 31, 2016 despite these delays and the continuing dispute.

A CDBG Disaster Recovery Grant paid for various street drainage projects throughout the Town in prior years. During 2019, the Town continued work under a CDBG Disaster Recovery Grant to pay for Hurricane Isaac-related drainage improvements in the area. The grant is for \$2,500,000. The Town incurred planning and architectural costs of \$1,603,674 during 2019. Of this amount, \$528,153 was received under the grant and \$1,075,521 has been accrued as receivable at year end. The total amount of \$1,603,674 has been recognized as revenue in the Capital Projects Fund. Reimbursement requests have been submitted and the funds have been received within 60 days subsequent to year end.

The Lafitte Sidewalk Beautification project is made up of various phases (Phase I, Phase II, and Rosethorne Path) and includes architectural and construction costs to install sidewalks and subsurface infrastructure to support the sidewalks through certain sections of the Town. These projects are being funded with federal funding through the Louisiana Department of Transportation and Development (which covers 95% of construction costs), a grant from the Regional Planning Commission, local funding from the Parish, and a local match from the Town. During 2019, costs of \$536,016 were added to construction in progress, bringing the total project costs-to-date to \$576,016. During the year, \$50,433 was received under the grant and an additional \$261,304 was accrued as receivable at year end, bringing the total grant revenues to \$311,737 for the year. An additional \$50,000 was collected from the Parish and an additional \$100,000 was accrued as receivable, bringing the Parish's share to \$150,000 for the year.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

The Town Hall Retrofit project involved outfitting the Town Hall with hurricane proof window panels and roll-down panels over its doors in order to “harden” the building from wind damage. This project is being funded with a Hazard Mitigation grant from FEMA. During 2019, the Town incurred architectural and construction costs of \$56,667. Of this amount, \$-0- has been received and \$42,500 (75%) has been accrued as receivable under the grant. The balance of \$14,167 (25%) has been transferred from the Town’s General Fund as a local match. The project is nearing completion and is awaiting acceptance and payment of retainage balances.

**NOTE 6 - LONG-TERM DEBT**

**A) FEMA Community Disaster Loan #2**

The Town applied for and received a special Community Disaster Loan (CDL) from the Federal Emergency Management Agency (FEMA) in the aftermath of Hurricanes Gustav and Ike (CDL Loan #2). This program is designed to provide badly needed operating funds to local governments in disaster areas. The Town was approved for a loan up to \$279,063 and the Town drew down \$279,063 against this approved amount. Over the past few years, the rules have changed on if and how these loans were to be repaid. Based on these changes, the Town applied for forgiveness of the loan balance and in April 2014 was granted a partial waiver of the loan balance totaling \$210,344. This left a balance due of \$68,719.

On June 26, 2014, the Town received a five year extension on repaying the remaining balance of the CDL loan. The loan continued to accrue simple interest at 1.875%. The loan was due and payable no later than April 2, 2019. On that date, the Town made a lump sum payment of \$80,574 to pay off the loan balance (\$68,719 of principal and \$11,855 of interest). At year end, the loan was completely paid off.

**B) Changes in Long-Term Debt**

The following is a summary of the changes in long-term debt related to governmental activities for the year ended June 30, 2019:

Type of Debt	Balance 6/30/2018	Additions	Reductions	Balance 6/30/2019	Due Within One Year
<b>Governmental Activities:</b>					
FEMA Community Disaster Loan #2 - Gustav/Ike	\$ 79,594	\$ 980	\$ (80,574)	\$ -	\$ -
<b>Total Governmental Activities</b>	<u>\$ 79,594</u>	<u>\$ 980</u>	<u>\$ (80,574)</u>	<u>\$ -</u>	<u>\$ -</u>

Included in the \$80,574 payment was \$68,719 of principal due, plus accrued interest of \$11,855.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 7 – INTERFUND TRANSACTIONS**

**A) Interfund Receivables/Payables**

Since the Town operates one checking account, all of the cash receipts and disbursements of the Capital Projects Fund are run through the General Fund. Once the Capital Project Fund activity is broken out, the difference in cash collections and disbursements is recognized as a due to or due from the General Fund. At year-end, the amount due to the General Fund from the Capital Projects Fund amounted to \$69,512. It should be noted that these amounts are eliminated in the conversion to the government-wide financial statements.

**B) Operating Transfers**

While the majority of the Capital Projects are funded with federal, state, or parish/local funds; at times, the Town is responsible for covering some of the costs (i.e., matching funds, disallowed costs, etc.). During 2019, the General Fund had to make transfers to the Capital Project Fund totaling \$14,698 to cover Town/local costs associated with the Town Hall Retrofit project, which represented the Town's 25% match on the project costs. The Transfers In/out are shown on the fund financial statements as an operating transfer in/out. It should be noted that these amounts are eliminated in the conversion to the government-wide financial statements.

**NOTE 8 – RESTRICTIONS OF NET POSITION AND FUND BALANCE COMPONENTS**

**A) Net Position**

On the Statement of Net Position, Net Position represents the difference between assets and liabilities. Net Investment in Capital Assets is the net of the Town's investment in capital assets and any related debt (outstanding bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets). Restrictions on Net Position are reported when there are limitations imposed on their use by external parties such as creditors, grantors, contributors, laws or regulations of other governments or law through constitutional provisions or enabling legislation. All other Net Position balances that do not meet the definition of "net investment in capital assets" or "restricted" are reported as "unrestricted".

**B) Fund Balance Components**

As discussed in Note 1.D.9, in accordance with GASB Statement Codification Section 1800-142-162, fund balance of the governmental fund types are categorized in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – Non-spendable, Restricted, Committed, Assigned and Unassigned.

At June 30, 2019, the Town reported \$91,329 in the non-spendable category to reflect that the assets in prepaid items that are not in spendable form. The remaining balance of \$1,260,916 is categorized as unassigned fund balance - \$1,305,525 in the General Fund and a deficit in unassigned fund balance of \$(44,609) in the Capital Projects Fund.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 9 - SALES TAXES**

For the year ended June 30, 2019, the total sales tax levied on purchases within the Town limits was 8 3/4%. Of this amount, the State levies 4%, the Jefferson Parish Public School System levies 1 1/2%, the Jefferson Parish Sheriff's Office levies 1/4%, and the Parish of Jefferson levies the remaining 3%. Sales taxes, except sales tax on motor vehicles which is collected by the State, are collected by the Sheriff of Jefferson Parish, who receives a commission of 11% of the amount collected.

Of the 3% levied by the Parish, 1/2% is remitted to the Jefferson Parish Public School System, 1% is remitted to the Parish for sewer capital and law enforcement, 1/6% is remitted to the Parish for drainage purposes, and the balance (1 1/3%) is remitted to the Town (as an incorporated municipality). During 2019, these taxes generated \$216,481, which are recognized in the General Fund.

The 1/4% levied by the Sheriff's Office is remitted directly to the Town for law enforcement and is recognized in the General Fund. During 2019, this tax generated \$36,186.

**NOTE 10 - EMPLOYEE PENSION PLANS**

The Town provides pension benefits for all of its full-time employees through two separate cost-sharing, multiple-employer public employee retirement systems. All full-time Town employees are members in the Municipal Employees' Retirement System of Louisiana (the Municipal System). The Municipal System was originally established by Act 356 of the 1954 regular session of the State of Louisiana. Up until June 30, 2016, all eligible full-time police were members of the Municipal Police Employees' Retirement System (the Police System). Currently, there are no active employees participating in the Police System.

**General Information about the Pension Plans**

**Plan Descriptions/Benefits Provided**

*The Municipal System*

The Municipal System administers a plan to provide retirement benefits 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 age and years of creditable service (service) required in order for a member to receive retirement benefits are established by the plan and vary depending on the member's hire date, employer and job classification.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is permanent and works at least 35 hours per week. Plan A members who were hired prior to January 1, 2013 may retire 1) at any age with 25 years or more of creditable service, 2) at age 60 with at least 10 years of creditable service, 3) at any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit. Plan B members may retire 1) at any age with 30 years of creditable service, or 2) at age 60 with at least 10 years of creditable service. For Plan A and B members hired after January 1, 103, the employee may retire 1) at age 67 with at least 67 years of creditable service, 2) at age 62 with at least 10 years of creditable service, 3) at age 55 with 30 or more years of creditable services, or 4) at any age with 25 years of creditable service, exclusive of military service and unused sick leave. Both plans also have criteria for disability and survivor benefits.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

For Plan A, in general, the monthly amount of the retirement allowance shall consist of an amount equal to 3.0 percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specific amounts. For Plan B, in general, the monthly amount of the retirement allowance shall consist of an amount equal to 2.0 percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specific amounts.

*The Police System*

The Police System administers a plan to provide retirement benefits to employees of all full-time police officers employed by a municipality in the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-2233.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is full-time police officer employed by a municipality and under the age of 50. Members who were hired prior to January 1, 2013 may retire 1) at any age with 25 years or more of creditable service, 2) at age 50 with at least 20 years of creditable service, 3) at age 55 with at least 12 years of creditable service, or 4) at any age with 20 years of creditable service, with an actuarially reduced benefit. For members hired after January 1, 2013, eligibility for retirement benefits is based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for retirement 1) at any age with at least 25 years of creditable service, or 2) at age 55 with at least 12 years of creditable service.

Under the Non-Hazardous Duty sub-plan, a member is eligible for retirement 1) at any age with at least 30 years of creditable service, 2) at age 55 with at least 25 years of creditable service, or 3) at age 60 with at least 10 years of service. Under both sub plans, a member is eligible for retirement at any age with at least 20 years of creditable service, with an actuarially reduced benefit from age 55.

For members hired prior to January 1, 2013, the benefit rates are 3 1/3<sup>rd</sup> percent of the average final compensation (average monthly earnings during the highest 36 consecutive months or joined months, if service was interrupted) times the number of years of creditable service, not to exceed 100 percent of final salary. For members hired after January 1, 2013, the benefit rates are 3.0 percent for the Hazardous Duty sub plan and 2 1/2 percent for the Non-Hazardous Duty sub plan of the average final compensation (average monthly earnings during the highest 60 consecutive months or joined months, if service was interrupted) times the number of years of creditable service, not to exceed 100 percent of final salary.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

**Disability Benefits**

*The Municipal System*

For Plan A, a member shall be eligible to receive a disability benefit if he has at least 5 years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. A disabled member of Plan A shall be paid a disability benefit equal to the lesser of 45 percent of his final average compensation or 3 percent of his final average compensation multiplied by his years of creditable service, whichever is greater or an amount equal to 3 percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

For Plan B, a member shall be eligible to receive a disability benefit if he has at least 10 years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. A disabled member of Plan A shall be paid a disability benefit equal to the lesser of 30 percent of his final average compensation or 2 percent of his final average compensation multiplied by his years of creditable service, whichever is greater or an amount equal to 2 percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

**Survivor Benefits**

*The Municipal System*

Survivor benefits are available to the surviving spouse and/or minor children as outlined in the statutes, upon the death of any member of Plan A or B with 5 years or more of creditable service, who is not eligible for retirement. For any member of Plan A or B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

*The Police System*

For members hired prior to January 1, 2013, upon the death of the active contributing member, or disability retiree, the plan provides for benefits for the surviving spouse and minor children. Under certain conditions outlined in the statutes, the benefits range from 40 to 60 percent of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10 percent of the member's average final compensation or \$200/month, whichever is greater. For members hire after January 1, 2013, under certain conditions outlined in the statutes, the benefits range from 25 to 55 percent of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10 percent of the member's average final compensation or \$200/month, whichever is greater. If the deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

**Deferred Retirement Option Plan Benefits (DROP)**

*The Municipal System*

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to 3 years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in the fund, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of 3 years, payments into the DROP fund cease and the person resumes active contribution membership in the system.

*The Police System*

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 36 months and defer the receipt of benefits. During participation in the plan, both the employee and employer contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum or a true annuity.

If employment is not terminated at the end of 3 years, payments into the DROP fund cease and the person resumes active contribution membership in the system. 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 return of the system's investment portfolio. 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, which could result in a negative earnings rate being applied to the account.

**Cost of Living Adjustments**

*The Municipal System*

The system is authorized under state statutes to grant a cost of living increase to members who have been retired for at least one year. The increase cannot exceed 2.0% of the eligible 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 statutes allow the system to grant an additional cost of living increase to all retirees and beneficiaries who are age 65 and above equal to 2.0% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

The Police System

The board of trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary, or survivor's benefit, not to exceed 3.0% in any given year. The board is authorized to provide an additional 2.0% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 year 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 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.

**Contributions**

The Municipal Plan

According to state statutes, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2018, the actuarially determined employer contribution rate was 24.75% for Plan A (the Plan that the Town participates in) and 13.25% for Plan B.

For 2019, the actual employer contribution rate was 26.00% for Plan A, while the employee contribution rate was 9.50%. Employer and employee contributions to Municipal System – Plan A for fiscal year 2019 were as follows:

<b>Source</b>	<b>Amount</b>	<b>(1) Covered Payroll</b>	<b>Percent of Covered Payroll</b>
Employee	\$ 15,200	\$ 160,000	9.50%
Employer	62,400	240,000	26.00%

(1) Difference in covered payroll between employee and employer is caused by an employee participating in the DROP program, whereby, the employee no longer contributes to the plan on his payroll. Only the employer is responsible for contributing.

In accordance with state statutes, the system also receives ad valorem taxes and state revenue sharing funds. The additional sources are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue by the system and are excluded from pension expense for the year.

The Town's proportionate share of these non-employer contributions totaled \$8,200 during the measurement period. This amount is recognized in the government-wide financial Statements as On-Behalf Payments from Contributing Entities and is included in operating grants and contributions on the Statement of Activities.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

*The Police System*

Contributions for all members are actuarially determined as required by state statutes but cannot be less than 9.0% of the employee's earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2018, the required employer and employee combined contribution rate for was 41.75% - 31.75% for the employer and 10.00% for the employee, For employees hired prior to January 1, 2013 and for Hazardous Duty members hired after January 1, 2013, the rates were 31.75% for the employer and 10.00% for the employee. For all Non-Hazardous Duty members hired subsequent to January 1, 2013, the rates were 31.75% for the employer and 8.00% for the employee. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.5%, respectively.

For 2019, the Town did not have any active participants in the Police System. The actual employer contribution rate for 2019 was 30.75%, while the employee contribution rate was 10.00%. Employer and employee contributions to Police System for fiscal year 2019 were as follows:

<u>Source</u>	<u>Amount</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll</u>
Employee	\$ -	\$ -	0.00%
Employer	-	-	0.00%

In accordance with state statutes, the system also receives insurance premium taxes as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. The additional sources are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue by the system and are excluded from pension expense for the year. The Town's proportionate share of these non-employer contributions totaled \$-0- during the measurement period. This amount is recognized in the government-wide financial Statements as On-Behalf Payments from Contributing Entities and is included in operating grants and contributions on the Statement of Activities.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the Town reported a combined liability of \$544,313 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System and the Police System. The amount for each plan was \$544,313 and \$-0-, respectively. The NPL for each system was measured as of June 30, 2018, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

The Town's proportion of the NPL was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2018, the most recent measurement date, the Town's proportionate share for each system was:

	<b>The Municipal System</b>	<b>The Police System</b>
Town's Proportionate Share	0.131455%	0.000000%
Decrease from prior year	-0.004329%	0.000000%

For the year ended June 30, 2019, the Town recognized a total pension expense (benefit) of \$89,206, with \$113,515 related to the Municipal System and \$(24,309) related to the Police System. These amounts are made up of the following:

<b>Components of Pension Expense (Benefit)</b>	<b>The Municipal System</b>	<b>The Police System</b>
Town's pension expenses per the pension plan	\$ 85,140	\$ -
Town's amortization of its change in proportionate share	28,620	(24,404)
Town's amortization of actual contributions over its proportionate share of contributions	(245)	95
<b>Total Pension Expense (Benefit) Recognized by Town</b>	<b>\$ 113,515</b>	<b>\$ (24,309)</b>

At year end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<i><u>The Municipal System</u></i>		
a) Differences between expected and actual experience	\$ -	\$ 19,353
b) Net change in assumptions	16,386	-
c) Net difference between projected and actual earnings on pension plan investments	83,413	-
d) Changes in proportion to NPL	32,088	9,805
e) Differences between the Town's contributions and its proportionate share of contributions	31	196
f) Town's contributions subsequent to the June 30, 2018 measurement date	62,400	-
	<u>\$ 194,318</u>	<u>\$ 29,354</u>
<i><u>The Police System</u></i>		
a) Differences between expected and actual experience	\$ -	\$ -
b) Net change in assumptions	-	-
c) Net difference between projected and actual earnings on pension plan investments	-	-
d) Changes in proportion to NPL	-	36,931
e) Differences between the Town's contributions and its proportionate share of contributions	96	-
f) Town's contributions subsequent to the June 30, 2017 measurement date	-	-
	<u>\$ 96</u>	<u>\$ 36,931</u>
Grand Total	<u>\$ 194,414</u>	<u>\$ 66,285</u>

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date (June 30, 2018) totaled \$62,400 (\$62,400 for the Municipal System and \$-0- for the Police System). These amounts will be recognized as a reduction of the NPL in the year ending June 30, 2020. It should be noted that there are no active employees currently participating in the Police Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount of Amortization	
	The Municipal System	The Police System
2020	\$ (72,462)	\$ 23,526
2021	(20,428)	13,309
2022	(7,291)	-
2023	(2,383)	-

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

**Actuarial Assumptions**

The total pension liability for each system in the respective June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Description	Assumptions/Methods	
	The Municipal System	The Police System
Valuation Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.275%	7.200%, net of investment expense
Inflation Rate	2.600%	2.600%
Projected Salary Increases	5.00% (2.600% inflation and 2.400% merit)	4.25% to 9.75% (depending on years of service)
Mortality Rates - Non-disabled	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables (set forward 2 yrs for males and 1 yr for females) projected to 2028 using scale AA	RP-2000 Combined with Blue Collar Adjustment Sex Distinct Tables (set back 1 yr for females) projected to 2029 by scale AA
Mortality Rates - Disabled	RP-2000 Disabled Lives Table (set back 5 yrs for males and 3 yrs for females)	RP-2000 Disabled Lives Table (set back 5 yrs for males and 3 yrs for females)
Mortality Rates - Other	RP-2000 Employees Sex Distinct Table (set back 2 yrs for both males and females)	RP-2000 Employee Table (set back 4 yrs for males and 3 yrs for females)
Expected Remaining Service Lives	3 years for Plan A and 4 years for Plan B	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.

On both systems, the long-term expected rate of return 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 expenses 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. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized in the following table:

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
<i><u>The Municipal System</u></i>		
Public Equity	50.0%	2.20%
Public Fixed Income	35.0%	1.50%
Alternative Investments	15.0%	0.60%
Other	0.0%	0.00%
Totals	100.0%	4.30%
Inflation		2.70%
Expected Arithmetic Rate of Return		7.00%
<i><u>The Police System</u></i>		
Public Equity	52.0%	3.58%
Public Fixed Income	22.0%	0.46%
Alternative Investments	20.0%	1.07%
Other	6.0%	0.17%
Totals/Average	100.0%	5.28%
Inflation		2.75%
Expected Arithmetic Rate of Return		8.03%

**Discount Rate.** The discount rate used for both the Municipal System was 7.275% and 7.200% for the Police System. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system's actuary.

Based on those assumptions, each of the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share the NPL to Changes in the Discount Rate.** The following presents the Town's proportionate share of the NPL of each system using the current discount rate, as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)**

**The Municipal System**

	1.0% Decrease 6.275%	Current Discount Rate 7.275%	1.0% Increase 8.275%
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ 699,219	\$ 544,313	\$ 412,095

**The Police System**

	1.0% Decrease 6.200%	Current Discount Rate 7.200%	1.0% Increase 8.200%
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ -	\$ -	\$ -

***Pension Plan Fiduciary Net Position.*** Both systems issue publicly available financial reports that include financial statements and required supplementary information for the System. Detailed information about each system's fiduciary net position is available in these separately issued 2018 financial reports. These reports may be obtained by visiting the Louisiana Legislative Auditor's website at [www.la.gov](http://www.la.gov) and searching under the Reports Section. The Municipal System's report can also be found at [www.mersla.com](http://www.mersla.com) and the Police System's report can be found at [www.lampers.org](http://www.lampers.org).

***Payables to the Pension Plan.*** At June 30, 2019, the Town had payables to the pension plans totaling \$5,969 (\$5,969 to the Municipal System and \$-0- to the Police System) for the June 2019 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

**A) Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and certain natural disasters for which the Town carries property and casualty insurance, subject to stated limitations and deductibles.

**B) Litigation**

There is no significant litigation that would require disclosure or accrual of any loss claims.

The Town is in a dispute with the contractor on the Auditorium project and it has withheld \$272,500 in liquidated damages and punch list items from billings. The amount withheld has not been accrued as a payable since the Town contends that the contractor caused delays and that punch list items needed to be fixed. The liquidated damages were withheld as allowed by the contract. A lawsuit was filed against the contractor in January 2017 and is still pending.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**C) Federal Assistance – Public Disaster Assistance**

The Town participates in certain federal financial assistance programs. Audits of prior years have not resulted in any major disallowances of costs (unless noted); however, the grantor agency may provide further examinations. Based on past experience, the Town believes that further examinations will not result in any material disallowed costs.

Over the years, due to its proximity to the Gulf of Mexico and various waterways and bayous, the Town has been affected by several hurricanes and tropical storms. Before, during, and after these storms, the Town incurred costs relating to emergency response overtime, flood protection efforts, public safety, and other emergency supplies. The Town has filed for and received Public Disaster Assistance in each event. A brief summary of the costs incurred, claims filed and balances due on each storm is as follows.

Hurricane Katrina (1603-DR-LA)

The Town was affected by Hurricane Katrina in August 2005. To date, claims totaling \$2,553,291 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$1,769,646 has been obligated by FEMA. The Town's share of the approved claims was -0- percent. To date, \$1,931,155 has been authorized plus an additional \$30,278 of administrative costs, for a total of \$1,961,433. This amount is greater than the obligated amounts because of the estimated insurance proceeds used in calculating the original payments. To date, the Town has received \$1,950,065 from FEMA, with the balance of \$11,368 being accrued at year-end in the General Fund.

The only activity during the year was the close-out of a small project, which was credited \$(8,584). These funds were recaptured from the Town by FEMA by netting them against another project from another storm. The Town is awaiting completion and close-out of these projects by FEMA.

Hurricane Rita (1607-DR-LA)

The Town was affected by Hurricane Rita in September 2005. To date, claims totaling \$749,669 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$580,442 has been obligated by FEMA. The Town's share of the approved claims was -0- percent. To date, \$580,442 has been authorized plus an additional \$12,609 of administrative costs, for a total of \$593,051. To date, the Town has received \$593,051, with the balance of \$-0- being accrued at year-end in the General Fund. There was no other activity on these projects during 2019. All project worksheets under this disaster have been closed by FEMA by year-end.

Hurricane Gustav (1786-DR-LA)

The Town was affected by Hurricane Gustav in August 2008. To date, claims totaling \$939,450 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$902,773 has been obligated by FEMA. The Town's share of the approved claims was 10 percent or \$90,277. To date, \$812,496 has been authorized for payment. To date, the Town has received \$812,496 from FEMA, leaving a balance of \$-0-.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The only activity during the year was the close-out of a small project , which was credited \$(24,452). These funds were recaptured from the Town by FEMA by netting them against another project from another storm. All project worksheets under this disaster have been closed by FEMA by year-end.

Hurricane Ike (1792-DR-LA)

The Town was affected by Hurricane Ike in September 2008. To date, claims totaling \$1,885,478 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$1,309,949 has been obligated by FEMA. The Town’s share of the approved claims was 10 percent in some cases for a total of \$51,411. To date, \$1,258,538 has been authorized for payment. During 2019, the Town received \$14,714, plus FEMA recaptured \$(31,542) from the Town by netting a small project against another storm, bringing the grant-to-date amount received from FEMA to \$1,258,538. There was no activity on these projects during 2019 other than the collections noted. The Town is awaiting completion and close-out of these projects by FEMA.

Tropical Storm Lee (4041-DR-LA)

The Town was affected by Hurricane Ike in September 2011. To date, claims totaling \$433,505 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$437,349 has been obligated by FEMA. The Town’s share of the approved claims was 25 percent in some cases for a total of \$109,337. To date, \$328,012 has been authorized for payment. During 2019, the Town received \$2,497, plus FEMA “paid” the Town \$64,578 via the recapture of funds from closing out small projects on other storms, bringing the grant-to-date amount received from FEMA to \$328,012. There was no other activity on these projects during 2019 other than the collection noted and to adjust the receivable down by \$(45,696). All project worksheets under this disaster have been closed by FEMA by year-end.

Hurricane Isaac (4080-DR-LA)

The Town was affected by Hurricane Isaac in September 2012. To date, claims totaling \$258,992 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$205,993 has been obligated by FEMA. The Town’s share of the approved claims was 25 percent in some cases for a total of \$34,554. To date, \$103,661 has been authorized for payment. During 2019, the Town received a “payment” from FEMA of \$8,057 via a payment recapture from another project on another storm. This brings the amount received to date from FEMA by the Town to \$95,604, with the balance of \$8,057 being accrued in the General Fund at year-end. During 2019, there was no other activity on these projects other than the collections and adjustments noted. The Town is awaiting completion and close-out of these projects by FEMA.

**D) Urban Development and Housing Project Commitment**

The Town entered into a cooperative endeavor agreement in 2014 with the Jefferson Parish Community Development Office to facilitate the reconstruction and/or elevation of several houses that were destroyed or damaged by previous hurricanes and floods. The program is being funded with funds from the JP/CDBG HOME Investment Partnership program. Under the agreement, the Town will be reimbursed up to \$1,784,251 plus an administrative fee not to exceed 15% of the costs. The Town was given an advance of \$217,500 as a mobilization payment in 2014.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2019**

**NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

During 2019, the Town expended \$403,545 on this project, bringing the total-to-date expenditure to \$1,704,318. During 2019, the Town received \$399,348, bringing the total revenues to date figure to \$1,707,061. This includes an accrued receivable of \$8,418 at year-end for engineering fees. The difference between the revenues and expenditures is \$(2,743). This amount is recorded on the balance as a receivable of \$8,418 offset by the balance of the initial advance of \$(11,161). These funds will be recognized as revenue in future periods as the work is done and the revenue is earned. This \$(11,161) is recorded as unearned grant revenues on the General Fund Balance Sheet as well as the Statement of Net Position at year end.

**NOTE 12 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS**

As of June 30, 2019, the Government Accounting Standards Board (GASB) has issued several statements that require implementation in 2020 or beyond. The Statements, which may or may not impact the Town, are as follows:

- **Governmental Accounting Standards Board Statement No. 84 (GASB 84)**  
The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. The provisions of this statement are effective for fiscal years beginning after December 15, 2018. It is not anticipated that this statement will affect the Town since it currently has no fiduciary activities.
- **Governmental Accounting Standards Board Statement No. 87 (GASB 87)**  
The GASB issued Statement No. 87, *Leases*, in June 2017. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019.
- **Governmental Accounting Standards Board Statement No. 89 (GASB 89)**  
The GASB issued Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, in June 2018. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019.
- **Governmental Accounting Standards Board Statement No. 90 (GASB 90)**  
The GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements 14 and 61*, in August 2018. The provisions of this Statement are effective for fiscal years beginning after December 15, 2018. It is not anticipated that this statement will be applicable to the Town.
- **Governmental Accounting Standards Board Statement No. 91 (GASB 91)**  
The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. The provisions of this Statement are effective for fiscal years beginning after December 15, 2020. It is not anticipated that this statement will be applicable to the Town, as it has no conduit debt situations.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**TOWN OF JEAN LAFITTE, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A  
LAST 10 FISCAL YEARS**

	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012	(2) 2011	(2) 2010
Town's proportion of the net pension liability (asset)	0.131455%	0.135784%	0.105155%	0.103707%	0.112296%	0.149929%	-	-	-	-
Town's proportionate share of the net pension liability (asset)	\$ 544,313	\$ 568,042	\$ 431,000	\$ 370,458	\$ 288,201	\$ 464,691	-	-	-	-
Town's covered payroll (CEP)	\$ 240,000	\$ 246,611	\$ 187,847	\$ 176,999	\$ 204,634	\$ 183,467	-	-	-	-
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll (CEP)	226.80%	230.34%	229.44%	209.30%	140.84%	253.28%	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	63.94%	62.49%	62.11%	66.18%	73.99%	67.97%	-	-	-	-

(1) The amounts presented for each fiscal year were determined as of the measurement date (i.e., the beginning of the fiscal year and/or the prior fiscal year).

(2) Information not available due to recent implementation of this reporting standard.

TOWN OF JEAN LAFITTE, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION -  
 SCHEDULE OF THE TOWN'S PENSION CONTRIBUTIONS  
 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A  
 LAST 10 FISCAL YEARS

	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Town's contractually required contribution	(3) \$ 62,400	\$ 59,400	\$ 56,100	\$ 37,100	\$ 34,958	\$ 38,370	\$ 26,144	\$ -	\$ -	-
Contributions by Town in relation to the contractually required contribution	62,400	59,400	56,386	37,100	35,113	38,769	26,144	-	-	-
Contribution deficiency (excess)	(4) \$ -	\$ -	\$ (286)	\$ -	\$ (155)	\$ (399)	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (CEP)	\$ 240,000	\$ 240,000	\$ 246,611	\$ 187,847	\$ 176,999	\$ 204,634	\$ 183,467	-	-	-
Contractually required contributions as a percentage of covered payroll (CEP)	26.00%	24.75%	22.75%	19.75%	19.75%	18.75%	14.25%	-	-	-

- (1) The amounts presented are for the fiscal year ended June 30, XX for each year.
- (2) Information not available due to recent implementation of this reporting standard.
- (3) Information obtained from monthly pension reports filed with the Municipal Employees' Retirement System (the plan fiduciary).
- (4) Amount does not include DROP employee share since only the active payroll is used to calculate the employer share.

**TOWN OF JEAN LAFITTE, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012	(2) 2011	(2) 2010
Town's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.006982%	0.012524%	0.012925%	0.023565%	-	-	-	-
Town's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ 65,441	\$ 98,112	\$ 80,860	\$ 188,247	-	-	-	-
Town's covered payroll (CEP)	\$ -	\$ -	\$ 19,560	\$ 33,500	\$ 66,500	\$ 122,221	-	-	-	-
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll (CEP)	0.00%	0.00%	334.57%	292.87%	121.59%	154.02%	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	71.89%	70.08%	66.04%	70.73%	75.10%	66.71%	-	-	-	-

(1) The amounts presented for each fiscal year were determined as of the measurement date (i.e. the beginning of the fiscal year and/or the prior fiscal year).

(2) Information not available due to recent implementation of this reporting standard.

**TOWN OF JEAN LAFITTE, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULE OF THE TOWN'S PENSION CONTRIBUTIONS  
MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

	(5) 2019	(5) 2018	(5) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012	(2) 2011	(2) 2010
Town's contractually required contribution	(3) \$ -	\$ -	\$ -	\$ 6,161	\$ 10,553	\$ 20,615	\$ 35,444	-	-	-
Contributions by Town in relation to the contractually required contribution	-	-	-	6,161	10,553	20,615	35,444	-	-	-
Contribution deficiency (excess)	(4) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (CEP)	\$ -	\$ -	\$ -	\$ 19,560	\$ 33,500	\$ 66,500	\$ 122,221	-	-	-
Contractually required contributions as a percentage of covered payroll (CEP)	0.00%	0.00%	0.00%	31.50%	31.50%	31.00%	29.00%	-	-	-

(1) The amounts presented are for the fiscal year ended June 30, XX for each year.

(2) Information not available due to recent implementation of this reporting standard.

(3) Information obtained from monthly pension reports filed with the Municipal Police Employees' Retirement System (the plan fiduciary).

(4) Differences related to miscellaneous refunds or timing issues that occurred during the year.

(5) The Town's officers who were participating in this plan left employment at the end of 2016. Thus, there were no employees participating in MPERS during FY 18/19.

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET TO ACTUAL  
 GENERAL FUND  
 For the Year Ended June 30, 2019

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<b>REVENUES</b>				
Taxes	\$ 342,608	\$ 344,000	\$ (1,392)	\$ 305,000
Intergovernmental				
Federal	448,925	482,250	(33,325)	473,000
State	190,990	187,200	3,790	191,200
Parish/local	16,912	37,550	(20,638)	37,550
Licenses and permits	70,322	66,200	4,122	57,450
Service charges, rentals and fees	125,868	126,100	(232)	149,100
Fines and forfeitures	177,607	190,750	(13,143)	105,000
Gaming fees and commissions	344,265	336,500	7,765	331,500
Interest	28,515	28,500	15	5,000
Other	98,191	88,650	9,541	111,000
Total Revenues	<u>1,844,203</u>	<u>1,887,700</u>	<u>(43,497)</u>	<u>1,765,800</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,163,857	1,160,800	(3,057)	1,084,600
Public safety	201,527	219,000	17,473	165,000
Public works	678	750	72	1,000
Urban development and housing	403,546	445,000	41,454	445,000
Culture and recreation	95,205	83,525	(11,680)	66,250
Debt Service:				
Principal	68,719	68,719	-	-
Interest	11,855	11,855	-	-
Capital Outlay	30,426	-	(30,426)	-
Total Expenditures	<u>1,975,813</u>	<u>1,989,649</u>	<u>13,836</u>	<u>1,761,850</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(131,610)</u>	<u>(101,949)</u>	<u>(29,661)</u>	<u>3,950</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(14,698)	-	(14,698)	-
Total Other Financing Sources (Uses)	<u>(14,698)</u>	<u>-</u>	<u>(14,698)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(146,308)	(101,949)	(44,359)	3,950
<b>FUND BALANCE</b>				
Beginning of year	1,543,162	1,543,162	-	1,587,700
End of year	<u>\$ 1,396,854</u>	<u>\$ 1,441,213</u>	<u>\$ (44,359)</u>	<u>\$ 1,591,650</u>

**INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF REVENUES - BUDGET TO ACTUAL  
 GENERAL FUND  
 For the Year Ended June 30, 2019

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<b>REVENUES</b>				
Taxes				
Sales Taxes	\$ 252,667	\$ 252,000	\$ 667	\$ 213,000
Franchise Taxes	89,942	92,000	(2,058)	92,000
Total Taxes	<u>342,609</u>	<u>344,000</u>	<u>(1,391)</u>	<u>305,000</u>
Intergovernmental				
Federal				
FEMA - Public Assistance Grants	17,212	17,250	(38)	-
Police - Equipment Grants	-	-	-	8,000
Victim's Assistance Grants	28,167	20,000	8,167	20,000
CDBG - Housing Assistance Grants	403,546	445,000	(41,454)	445,000
Total Federal	<u>448,925</u>	<u>482,250</u>	<u>(33,325)</u>	<u>473,000</u>
State				
Parish Transportation Fund	168,000	164,000	4,000	168,000
Beer Tax Allocation	2,990	3,200	(210)	3,200
Senior Citizen Utility Income	20,000	20,000	-	20,000
Total State	<u>190,990</u>	<u>187,200</u>	<u>3,790</u>	<u>191,200</u>
Parish/local				
Library Grant	16,912	17,550	(638)	17,550
Tourism	-	20,000	(20,000)	20,000
Seafood Market Opening Ceremony	-	-	-	-
Total Parish/Local	<u>16,912</u>	<u>37,550</u>	<u>(20,638)</u>	<u>37,550</u>
Total Intergovernmental	<u>656,827</u>	<u>707,000</u>	<u>(50,173)</u>	<u>701,750</u>
Licenses and permits				
Occupational Licenses	26,244	25,250	994	20,000
Insurance Premium Fees	30,202	27,500	2,702	27,500
Alcoholic Beverage Permits	1,785	2,200	(415)	2,200
Building, Electrical and Plumbing Permits	12,091	11,250	841	7,750
	<u>70,322</u>	<u>66,200</u>	<u>4,122</u>	<u>57,450</u>
Service charges, rentals and fees				
Facility Rentals	125,868	126,100	(232)	149,100
	<u>125,868</u>	<u>126,100</u>	<u>(232)</u>	<u>149,100</u>
Fines and forfeitures	7,086	8,750	(1,664)	5,000
Fines - Redflex Traffic Systems	170,522	182,000	(11,478)	100,000
	<u>177,608</u>	<u>190,750</u>	<u>(13,142)</u>	<u>105,000</u>
Gaming fees and commissions				
Boomtown Boarding Fees	344,265	335,000	9,265	330,000
Video Poker Fees	-	1,500	(1,500)	1,500
	<u>344,265</u>	<u>336,500</u>	<u>7,765</u>	<u>331,500</u>
Interest	28,515	28,500	15	5,000
Other				
Donations - Other	2,529	-	2,529	-
Insurance Proceeds	20,000	20,000	-	-
Special Events and Festivals	59,927	50,000	9,927	100,000
Tourist Information Proceeds	141	150	(9)	750
Artist Proceeds	3,095	3,200	(105)	250
Food Bank	406	500	(94)	2,000
Senior Citizen Fund	1,312	1,300	12	3,000
Miscellaneous	10,779	13,500	(2,721)	5,000
	<u>98,189</u>	<u>88,650</u>	<u>9,539</u>	<u>111,000</u>
Total Revenues	<u>\$ 1,844,203</u>	<u>\$ 1,887,700</u>	<u>\$ (43,497)</u>	<u>\$ 1,765,800</u>

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2019

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b><u>General Government</u></b>				
Salaries and Benefits				
Salaries - Council	\$ 48,000	\$ 48,000	\$ -	\$ 48,000
Salaries - Regular	361,913	362,500	587	360,000
Retirement	62,400	62,500	100	57,000
Payroll taxes	41,564	42,500	936	43,500
Health and life insurance	53,311	53,500	189	55,000
Health and life insurance - Mayor	-	-	-	500
Unemployment insurance	1,080	1,250	170	1,000
Workman's compensation insurance	13,421	12,550	(871)	12,550
Dental and other	-	-	-	-
	<u>581,689</u>	<u>582,800</u>	<u>1,111</u>	<u>577,550</u>
General and Administrative Costs				
Accounting and auditing	51,010	51,250	240	47,500
Auto and truck	17,244	18,500	1,256	14,000
Bank charges	3,289	3,025	(264)	2,500
Contract labor	100	-	(100)	-
Consultants	24,000	24,000	-	24,000
Court costs	342	500	158	500
Dues and subscriptions	767	750	(17)	500
Emergency response costs - hurricanes	1,321	1,325	4	-
Food bank expenditures	278	300	22	1,250
Insurance	141,476	150,000	8,524	174,500
Janitorial	5,599	5,750	151	4,250
Legal - attorney/magistrate	25,827	22,500	(3,327)	10,000
Miscellaneous	7,154	15,000	7,846	5,500
Office supplies	16,531	15,000	(1,531)	10,000
Official journal	-	500	500	500
Rentals	1,248	1,250	2	1,250
Repairs and maintenance	127,137	115,000	(12,137)	50,000
Scholarship program	3,000	3,200	200	4,000
Travel - conventions	4,779	2,650	(2,129)	6,800
Travel - other	1,522	2,500	978	5,000
Utilities	149,544	145,000	(4,544)	145,000
	<u>582,168</u>	<u>578,000</u>	<u>(4,168)</u>	<u>507,050</u>
Total General Government	<u>1,163,857</u>	<u>1,160,800</u>	<u>(3,057)</u>	<u>1,084,600</u>

(Continued)

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2019

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<b>Public Safety</b>				
Salaries - officers	130,667	132,500	1,833	135,000
Redflex collection fees	48,805	55,000	6,195	-
Supplies - police	12,655	11,500	(1,155)	10,000
Victims assistance grant costs	9,400	20,000	10,600	20,000
Total Public Safety	201,527	219,000	17,473	165,000
<b>Public Works</b>				
Road maintenance - supplies	678	750	72	1,000
Total Public Works	678	750	72	1,000
<b>Urban Planning and Housing</b>				
CDBG housing assistance program	403,546	445,000	41,454	445,000
Total Urban Planning and Housing	403,546	445,000	41,454	445,000
<b>Culture and Recreation</b>				
Seafood festival costs	-	-	-	-
Senior Center expenditures	1,600	1,275	(325)	4,000
Special events - other	60,947	50,000	(10,947)	50,000
Tourism costs	29,558	29,000	(558)	12,000
Artist costs	3,100	3,250	150	250
Total Culture and Recreation	95,205	83,525	(11,680)	66,250
<b>Debt Service:</b>				
Principal	68,719	68,719	-	-
Interest	11,855	11,855	-	-
Total Debt Service	80,574	80,574	-	-
<b>Capital Outlay</b>				
Land, buildings and improvements	-	-	-	-
Furniture, fixtures and equipment	30,426	-	(30,426)	-
Vehicles and heavy equipment	-	-	-	-
Total Capital Outlay	30,426	-	(30,426)	-
Total Expenditures	\$ 1,975,813	\$ 1,989,649	\$ 13,836	\$ 1,761,850

**TOWN OF JEAN LAFITTE, LOUISIANA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - CAPITAL PROJECT FUND**

**For the Year Ended June 30, 2019**

	<b>Capital Projects Fund</b>
<b>REVENUES</b>	
Taxes	\$ -
Intergovernmental	
Federal	1,956,159
State	-
Parish/local	150,000
Interest	-
Other	-
Total Revenues	<u>2,106,159</u>
<b>EXPENDITURES</b>	
Capital Outlay	
Land	-
Architect/Engineering	383,654
Construction	1,812,264
Equipment and Fixtures	-
Testing and Other	439
Total Expenditures	<u>2,196,357</u>
Excess (Deficiency) of Revenues over Expenditures	(90,198)
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	14,698
Transfers out	-
Total Other Financing Sources (Uses)	<u>14,698</u>
<b>NET CHANGE IN FUND BALANCE</b>	(75,500)
<b>FUND BALANCE</b>	
Beginning of year	30,891
End of year	<u>\$ (44,609)</u>

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## **OTHER SUPPLEMENTARY INFORMATION**

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**TOWN OF JEAN LAFITTE, LOUISIANA**  
**SCHEDULE OF COUNCILPERSONS' COMPENSATION**  
**For the Year Ended June 30, 2019**

<u>Councilperson</u>	<u>Amount</u>
Barry Bartholomew	\$ 9,600
Christy Creppel	9,600
Shirley Guillie	9,600
Calvin LeBeau	9,600
Verna Smith	9,600
TOTAL COUNCILPERSONS' COMPENSATION	<u><u>\$ 48,000</u></u>

**TOWN OF JEAN LAFITTE, LOUISIANA**

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Agency Head Name/Title:</b>	<u>Timothy P. Kerner, Mayor</u>		
<b><u>Purpose</u></b>	<b><u>Amount</u></b>		
Salary	\$	80,000	(1)
Taxes - Federal (Social Security and Medicare)		6,134	(2)
Benefits - Retirement		20,800	(3)
Benefits - Insurance (Group Health)		13,014	(4)
Benefits - Other		-	
Vehicle Provided by Agency		180	(5)
Per Diem		-	
Reimbursements		-	
Travel (meal per diems)		-	
Travel (gas and parking)		3,839	
Registration Fees		-	
Conference Travel		926	(6)
Continuing Professional Education Fees		-	
Housing		-	
Unvouchered Expenses		-	
Special Meals		2,145	(7)

**Notes to Schedule:**

- (1) The Mayor's salary is set by Town Ordinance.
- (2) The Town and its employees pay social security and medicare taxes. This amount represents the amount of taxes paid by the employer (the Town) on this employee's taxable wages.
- (3) All full-time employees of the Town, including the Mayor, are members of the Louisiana Municipal Employees Retirement System (MERS). Under this plan, the Town is required to pay 26.00% as contribution to the plan, while the employee is required to pay 9.50%. This amount represents the employer's cost of this contribution for FYE 2019.
- (4) The Town pays for the health insurance coverage for all full-time employees. This amount represents the premiums paid on the Town's group policy on behalf of the Mayor.
- (5) The Town provides the Mayor with a take-home vehicle. Under IRS rules, the Mayor is taxed on the estimated lease value of the vehicle. For 2019, the amount included in the Mayor's taxable income is shown above.
- (6) Includes travel costs (airfare, hotel, parking, etc.) for the Louisiana Municipal Association's annual conference, travel to Baton Rouge and Washington DC, etc.
- (7) Includes meals related to Town business, including meals at conferences.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**SCHEDULE OF STATE FUNDING**  
**For the Year Ended June 30, 2019**

<u>State Source</u>	<u>Amount</u>
Department of the Treasury - Tax/Fee Allocations	
Parish Transportation Funds	\$ 168,000
Beer Tax	2,990
	<u>170,990</u>
Louisiana Office of Community Development	
Senior Citizens Utility Income Assistance	<u>20,000</u>
	<u>\$ 190,990</u>

Note: Additional funds were received from various State agencies; however, because those funds were "federal grant funds" being passed through the State, they are not reflected on this schedule. Instead, they are presented as Federal Grants on the Schedule of Expenditures of Federal Awards as pass-through grants.

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## **COMPLIANCE SECTION**

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Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
www.CRIcpa.com

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

Honorable Timothy Kerner, Mayor and  
Members of the Council  
Town of Jean Lafitte, 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 and each major fund of The Town of Jean Lafitte (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 16, 2019.

**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 opinions 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Caru, Riggs & Ingram, L.L.C.*

December 16, 2019



Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
www.CRIcpa.com

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Timothy Kerner, Mayor and  
Members of the Council  
Town of Jean Lafitte, Louisiana

### **Report on Compliance for the Major Federal Program**

We have audited the Town of Jean Lafitte's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2019. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on the Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

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

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

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

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

*Cary Riggs & Ingram, L.L.C.*

December 16, 2019

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TOWN OF JEAN LAFITTE, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2019

GRANTOR/SOURCE	FEDERAL CFDA NO.	GRANT NUMBER	GRANT PERIOD	
			FROM	TO
<b>DIRECT GRANTS</b>				
None				
<b>PASS-THROUGH GRANTS</b>				
Department of Homeland Security				
Passed Through Louisiana Governor's Office of Homeland Security (GOHSEP)				
Public Disaster Assistance - Katrina	97.036	1603-DR-LA	Project Completion	
Public Disaster Assistance - Rita	97.036	1607-DR-LA	Project Completion	
Public Disaster Assistance - Gustav	97.036	1786-DR-LA	Project Completion	
Public Disaster Assistance - Ike	97.036	1792-DR-LA	Project Completion	
Public Disaster Assistance - TS Lee	97.036	4041-DR-LA	Project Completion	
Public Disaster Assistance - Isaac	97.036	4080-DR-LA	Project Completion	
Pre-disaster Mitigation - Town Hall Retrofit	97.047	EMT-2015-PC-0010(0)	Project Completion	
Total Department of Homeland Security				
Department of Justice				
Passed Through Louisiana Commission on Law Enforcement and/or				
Jefferson Parish Criminal Justice Coordinating Council				
Victim's Assistance Program Grant- 2017	16.575	201G-VA-04/02/01/03-3742	7/1/2017	12/31/2018
Victim's Assistance Program Grant- 2018	16.575	2014-VA-04/02/01/03-4348	1/1/2019	12/31/2019
Total Department of Justice				
Department of Housing and Urban Development				
Passed through Jefferson Parish Office of Community Development				
Community Development Block Grant - Disaster Recovery - Auditorium Demo & Construction	14.228	29PARA3202	Project Completion	
Community Development Block Grant - Disaster Recovery - Town Streets/Drainage	14.228	Unknown	Project Completion	
Community Development Block Grant - Disaster Recovery - Isaac Drainage Improvements	14.228	Unknown	Project Completion	
CDBG/Home Investment Partnership Program - Housing Assistance	14.239	Unknown	Project Completion	
Total Department of Housing and Urban Development				
Department of Transportation				
Passed through the Louisiana Department of Transportation and Development				
Highway Planning and Construction Cluster - Lafitte Sidewalk Beautification	20.205	h002263	Project Completion	
Total Department of Transportation				
Total Pass-Through Grants				
Grand Total - All Grants				

**FOOTNOTES TO SCHEDULE:**

This Schedule was prepared on the accrual basis of accounting and covers all activity from July 1, 2018 to June 30, 2019. The Schedule was prepared in accordance with the requirements of the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under 2 CFR Part 200,

- (1) GASB 65 requires the recognition of "deferred inflows" for grants on the fund financial statements when their revenues are deemed "unavailable" at year-end. At June 30, 2019, the Town had outstanding receivables of \$19,425 from FEMA/GOHSEP which were considered "unavailable" and recognized on the Balance Sheet as "deferred inflows". The "current revenues" shown on this schedule reflects the net of current year revenues and the change in prior year receivables/deferred inflows. Thus, the fund financial statements show current year revenue on FEMA grants of \$17,212. The difference between this number and the \$(22,969) shown above is the \$40,181 current year change in deferred inflows and receivables in the General Fund.
- (2) There were no current year expenditures on these FEMA projects. FEMA/GOHSEP is in the process of closing out the various disasters and "netted" various claims during the year. This resulted in the activity noted in the revenue/receipt column. If the Town was overpaid on one PW in on particular disaster and underpaid on another, FEMA/GOHSEP settled up the two claims by netting them together and either paying or recouping funds as needed.

PRIOR YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR RECEIPTS	CURRENT YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR REVENUES	FEDERAL EXPENDITURES		
				SPENT DIRECTLY BY TOWN	PAID TO SUBRECIPIENTS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,368	\$ (8,584)	\$ 11,368	\$ (8,584)	\$ -	\$ -	\$ - (2)
-	-	-	-	-	-	- (2)
(24,452)	(24,452)	-	-	-	-	- (2)
-	(16,828)	-	(16,828)	-	-	- (2)
64,633	67,076	-	2,443	-	-	- (2)
8,057	-	8,057	-	-	-	-
59,606	17,212	19,425	(22,969)	-	-	-
-	-	42,500	42,500	42,500	-	42,500
59,606	17,212	61,925	19,531	42,500	-	42,500 (1)
8,267	25,122	-	16,855	25,122	-	25,122
-	4,132	7,180	11,312	4,132	-	4,132
8,267	29,254	7,180	28,167	29,254	-	29,254
-	(1,222)	-	(1,222)	-	-	-
-	(531)	-	(531)	-	-	-
110,989	639,143	1,075,521	1,603,675	1,603,675	-	1,603,675
110,989	637,390	1,075,521	1,601,922	1,603,675	-	1,603,675
(6,941)	399,348	(2,743)	403,546	399,348	-	399,348
104,048	1,036,738	1,072,778	2,005,468	2,003,023	-	2,003,023
-	50,433	261,304	311,737	311,737	-	311,737
-	50,433	261,304	311,737	311,737	-	311,737
\$ 171,921	\$ 1,133,637	\$ 1,403,187	\$ 2,364,903	\$ 2,386,514	\$ -	\$ 2,386,514
\$ 171,921	\$ 1,133,637	\$ 1,403,187	\$ 2,364,903	\$ 2,386,514	\$ -	\$ 2,386,514

Plus (minus) amounts reported as changes in deferred inflows:

General Fund	40,181
Capital Projects Fund	-
Current year revenue	\$ 2,405,084

Recognized in:

General Fund - as current year revenues	\$ 448,925
Capital Project Fund - as current year revenues	1,956,159
	\$ 2,405,084



**Town of Jean Lafitte, Louisiana**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

**NOTE 1: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended June 30, 2019.

**NOTE 2: PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Town's portion, are more than shown. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: LOANS**

The Town did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2019.

**NOTE 4: FEDERALLY FUNDED INSURANCE**

The Town has no federally funded insurance.

**NOTE 5: NONCASH ASSISTANCE**

The Town did not receive any federal noncash assistance for the year ended June 30, 2019.

**NOTE 6: INDIRECT COST RATE**

The Town did not elect to use the 10 percent (10%) de minimis indirect cost rate.

**Town of Jean Lafitte, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

*Federal Awards*

- |   |            |
|---|------------|
| 1. Type of auditors' report issued on compliance for major programs                                 | Unmodified |
| 2. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                    | None noted |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No         |
| 4. Identification of the major programs:  |            |
| Name of Federal Awards  | CFDA No.   |
| Community Development Block Grants  | 14.228     |
| 5. Dollar threshold used to distinguish between type A and type B programs:                         | \$750,000  |
| 6. Auditee qualified as a low-risk auditee?   | No         |



**Town of Jean Lafitte, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

**B. FINDINGS RELATED TO FINANCIAL STATEMENTS**

There were no findings related to the financial statement audit for the year ended June 30, 2019.

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended June 30, 2019.

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

There were no findings or questioned costs related to the major federal award programs for the year ended June 30, 2019.



**Town of Jean Lafitte, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2019**

**A. PRIOR AUDIT FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statement audit for the year ended June 30, 2018.

**B. PRIOR AUDIT FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to the financial statement audit for the year ended June 30, 2018.

**C. PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

A single audit was not required for the year ended June 30, 2018 as the expenditures of federal awards did not exceed \$750,000.

**(END OF REPORT)**



**Carr, Riggs & Ingram, LLC**  
111 Veterans Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
www.CRIcpa.com

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Honorable Timothy Kerner, Mayor and  
Members of the Council  
Town of Jean Lafitte, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by management of the Town of Jean Lafitte, Louisiana (the "Town") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2018 through June 30, 2019. The Town's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### **PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

#### ***Written Policies and Procedures***

---

1. Obtain and inspect the Town's written policies and procedures and observe that they address each of the following categories and subcategories:

**We obtained the written policies and verified that they addressed the areas as follows:**

- a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

**Results: No exceptions were found as a result of applying the procedure.**

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results: No exceptions were found as a result of applying the procedure.**

- c) *Disbursements*, including processing, reviewing, and approving.

**Results: No exceptions were found as a result of applying the procedure.**

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

**Results: No exceptions were found as a result of applying the procedure.**

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results: No exceptions were found as a result of applying the procedure.**

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: No exceptions were found as a result of applying the procedure.**

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**Results: No exceptions were found as a result of applying the procedure.**

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: No exceptions were found as a result of applying the procedure.**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, annually attest through signature verification that they have read the Town's ethics policy.

**Results: No exceptions were found as a result of applying the procedure.**

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results: No exceptions were found as a result of applying the procedure.**

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results: No exceptions were found as a result of applying the procedure.**

### **Council**

---

- 2. Obtain and inspect the Council minutes for the fiscal period, as well as the Council's enabling legislation, in effect during the fiscal period, and:

**We obtained and reviewed the Council minutes for the fiscal period.**

- a) Observe that the Council met with a quorum at least monthly, or on a frequency in accordance with the Council's enabling legislation.

**Results: No exceptions were found as a result of applying the procedure.**

- b) Observe that the Council minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

**Results: Exception noted; the Board minutes did not reference or include budget-to-actual comparisons for nine months in the fiscal year.**

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the Council minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**Results: No exceptions were found as a result of applying the procedure.**

### **Ethics**

---

- 3. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials.

**We randomly selected 5 employees/officials for procedure # 4 below.**

4. Using the 5 randomly selected employees from procedure #3 above, obtain ethics documentation from management, and:

a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

**Results: No exceptions were found as a result of applying the procedure.**

b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the Town's ethics policy during the fiscal period.

**Results: No exceptions were found as a result of applying the procedure.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Cary Riggs & Ingram, L.L.C.*

December 16, 2019



TIMOTHY P. KERNER  
MAYOR

YVETTE CRAIN  
TOWN CLERK

MARCELL RODRIGUEZ  
CHIEF OF POLICE

## TOWN OF JEAN LAFITTE OFFICE OF THE MAYOR



2654 Jean Lafitte Blvd.  
Lafitte, Louisiana 70067  
Office: (504) 689-2208  
Police: (504) 689-3132  
Fax: (504) 689-7801

December 26, 2019



COUNCIL MEMBERS

SHIRLEY GUILLIE  
MAYOR PROTEM

BARRY BARTHOLOMEW  
CHRISTY CREPPEL  
VERNA SMITH  
CALVIN LEBEAU

Carr, Riggs & Ingram and the  
Louisiana Legislative Auditor

Dear Sirs,

We appreciate the opportunity to provide an explanation for the exception noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period July 1, 2018 to June 30, 2019. The Town of Jean Lafitte is committed to providing the best services to its citizens and spending the public money provided to us in the most efficient manner possible.

In regards to the exception noted during the AUPs, we offer the following:

AUP 2(b)-The Board Minutes did not reference or include budget-to-actual comparisons for nine months in the fiscal year.

RESPONSE: The budget-to-actual comparisons were prepared on a quarterly basis by the outside CPA and included in the Board's packets. From now on monthly Quick Books budget to actual will be presented to the board each month starting in January 2020 and noted on the minutes.

We hope that our answers address any concerns raised from the exception noted. We will work towards improving our processes and procedures to minimize or reduce any such exception in the future.

Sincerely,

Mayor Timothy P. Kerner  
Town of Jean Lafitte