

TOWN OF JEAN LAFITTE

FINANCIAL REPORT

**For the Year Ended
June 30, 2022**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise of the Town's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of the Town's Proportionate Share of the Net Pension Liability (MERS-Plan A on page 54); Schedule of the Town's Pension Contributions (MERS-Plan A on page 55); Schedule of the Town's Proportionate Share of the Net Pension Liability (MPERS-Plan A on page 56); Schedule of the Town's Pension Contributions (MPERS on page 57); Notes to Required Supplementary Information on page 58; and the General Fund's Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual on page 59, as listed in the table of contents, be presented to supplement the basic financial statements.

Such information is the responsibility of management and, 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 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 Expenditures - Budget to Actual; Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund; Schedule of Councilpersons' Compensation; Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer; Schedule of State Funding; Justice System Funding Schedule - Collecting/Disbursing Entity; and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 General Fund Schedule of Revenues - Budget to Actual; General Fund Schedule of Expenditures - Budget to Actual; Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund; Schedule of Councilpersons' Compensation; Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer; Schedule of State Funding; the Justice System Funding Schedule - Collecting/Disbursing Entity; and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
March 27, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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TOWN OF JEAN LAFITTE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

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, 2022. 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, 2022.
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$32,454,632. Of this amount, \$32,283,926 or 99.5% is invested in capital assets, such as land, buildings, equipment, vehicles and infrastructure. The remaining balance of \$170,706 or 0.5% may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's total net position decreased by \$(448,272) during 2022. The majority of this decrease has to do with expenses exceeding revenues for the year.
- The Town implemented GASB 87, *Leases*, in the current year. The Town is the "lessor" for three leases which provide real property to a medical center, a fitness center, and the local State Representative. The Town does not have any material "lessee" leases. As a result of implementation of this new standard, the Town reported a lease receivable and a deferred inflow of resources in the amount of \$8,514 and \$8,388, respectively, at year-end.
- 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 \$400,333. 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 \$126,935 and deferred inflows were \$118,783.
- At June 30, 2022, the Town's governmental funds reported an ending fund balance of \$551,754, a decrease of \$(36,727) from the prior year. This includes \$641,018 in the General Fund and a deficit of \$(89,264) 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 \$520,765 or 94.4% of the total fund balance and 24.9% of current year expenditures in the General Fund.
- In early March 2020, the COVID-19 virus was declared a global pandemic, and it continues to spread throughout the United States in 2022, including the local area. Due to vaccines and immunity, the death rate of the virus is not as severe as previously seen; however, there continue to be outbreaks of sickness in the area. As noted in the analysis, several revenues and expenditures were impacted over the past two year by the pandemic due to on-again and off-again state-mandated restrictions and closures of facilities. The Town continues to monitor its budgeted revenues and expenditures and cash flows in light of the uncertainties created by the COVID-19 pandemic. While some revenues have seen fluctuations, the Town has accounted for them in next year's budget and is in a position to cover these losses for the time being.
- In August 2021, Hurricane Ida devastated the southwestern region of the Parish, including the Town of Jean Lafitte. While only a few lives were lost, the property damage to residences and businesses throughout the area was extensive. The Town had to work for months to clear mud and debris from the area. Residents and businesses were displaced for weeks. Claims have been filed with FEMA and with its insurance companies. The recovery effort continues.

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.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

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 and deferred outflows of resources less liabilities and deferred inflows of resources, which results in net position. The statement is designed to display the financial position of the Town. Over time, increases or decreases in net position help determine whether the Town's financial position is improving or deteriorating.

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 pension accounting and reporting standards require two 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position				
Governmental Activities				
June 30,				
	2022		2021	
Current and other assets	\$ 1,693,239		\$ 1,102,100	
Capital assets	32,283,926		32,732,271	
Total assets	<u>33,977,165</u>		<u>33,834,371</u>	
Deferred outflows - pension-related	<u>126,935</u>		<u>169,187</u>	
Current liabilities	1,121,964		505,562	
Non-current liabilities - pension-related	<u>400,333</u>		<u>588,472</u>	
Total liabilities	<u>1,522,297</u>		<u>1,094,034</u>	
Deferred inflows - leases	8,388		-	
Deferred inflows - pension-related	<u>118,783</u>		<u>6,620</u>	
	<u>127,171</u>		<u>6,620</u>	
Net Position				
Net investment in capital assets	32,283,926	99.5%	32,732,271	99.5%
Restricted for Capital Projects	-	0.0%	-	0.0%
Unrestricted				
Designated	-	0.0%	-	0.0%
Undesignated	170,706	0.5%	170,633	0.5%
Total net position	<u>\$ 32,454,632</u>	<u>100.0%</u>	<u>\$ 32,902,904</u>	<u>100.0%</u>

The “net investment in capital assets” totals \$32,283,926 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 \$170,706 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. Under GASB Codification Section L20 related to leases, deferred inflows on leases are also reported.

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

Changes in Net Position
Governmental Activities
For the Year Ended June 30,

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 198,092	\$ 926,462
Operating Grants and Contributions	404,256	331,800
Capital Grants and Contributions	814,999	854,370
General Revenues:		
Taxes	479,037	372,076
Gaming	397,416	340,581
Unrestricted Interest Earnings	2,337	600
Insurance Proceeds	709,450	129,622
Miscellaneous Revenues	8,990	13,199
Gain (loss) on disposal of equipment	(474,027)	-
Gain (loss) on termination/waiver of lease payments	(4,232)	-
Total Revenues	<u>2,536,318</u>	<u>2,968,710</u>
Expenses		
General Government	1,816,841	1,675,909
Public Safety	199,384	225,484
Public Works	361,258	326,393
Culture and Recreation	607,107	1,261,658
Total Expenses	<u>2,984,590</u>	<u>3,489,444</u>
Change in Net Position	(448,272)	(520,734)
Net Position - Beginning	32,902,904	33,423,638
Net Position - Ending	<u>\$ 32,454,632</u>	<u>\$ 32,902,904</u>

Charges for services include licenses and permits, facility rentals, fines and forfeitures, and special event charges. For 2022, this category was down \$(728,370) due to 1) a decrease in special events of \$(621,668) due to the 2022 seafood festival being postponed from June 2022 to November 2022, 2) a decrease in fines and forfeitures of \$(90,943) due to the drop in fines and tickets issued in the aftermath of Hurricane Ida, and 3) a drop of \$(11,718) in facility rentals due to facilities being closed for months in the aftermath of Hurricane Ida.

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, CARES Act Funding, and donations from other sources. This category increased \$72,456 compared to the prior year due to 1) an increase of \$111,322 in Hurricane Ida donations, 2) an increase of \$41,662 in State Grants for Tourism/Seafood Market Costs, 3) an increase of \$10,012 in State Grants for parish transportation fund revenues, 4) a decrease of \$(7,030) in Victims Assistance Grant funding, 5) a decrease of \$(18,801) in CARES Act funding (final tranche received in prior year) and 6) a decrease of \$(64,613) in State Grants from LADODT for reimbursements for bridge disaster costs (bridge disaster did not recur).

Capital Grants include various grants from federal, state and parish/local sources to help fund major construction activity in the Town, as well as American Rescue Plan Act (ARPA) funding. The capital funding includes CDBG Disaster Recovery Grants, CDBG Resilience Grants, FEMA grants, State Capital Outlay funds, grants from other agencies, and miscellaneous grants from the Parish for repairs and improvements. This category was down \$(39,371) from the prior year due to the following: 1) FEMA disaster funds (up \$3,311), 2) Police Equipment grants (up \$3,178), 3) CDBG funding for the auditorium capital project (down \$(164,981)), 4) CDBG funding for

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

streets/drainage capital projects (down \$(138,397)), 5) CDBG/NDR funding for the Wetlands Center Project (down \$(58,997)), 6) DOTD funding for sidewalk projects (down \$(30,958)), 7) State Grant for a nature trail (down \$22,124), 8) a State Grant a police car (up \$49,639), 9) a grant from the Lafitte Area Independent Levee District for the sidewalk capital project (down \$(100,000)), and 10) CPRA National Resource Damage Assessment grants for the Wetlands Education Center (up \$418,359).

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 \$106,961, due to changes in sales taxes (up \$119,852) and franchise fee revenues (down \$(12,891)). Sales taxes were up mostly due to citizens purchasing motor vehicles after the flooding caused by Hurricane Ida. Franchise fees were down due to disconnects from citizens caused by Hurricane Ida.

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 \$56,835, mostly due to an increase in fees from the Boomtown Belle Casino boarding fee (caused by the influx of cash into the area in the aftermath of Hurricane Ida).

Unrestricted interest was up \$1,737 as more funds were on hand during the year earning interest for the Town.

Insurance Proceeds and Miscellaneous Revenues were up \$579,828 and \$1,277, respectively. Insurance proceeds were up due to the proceeds coming in from Hurricane Ida.

Gain (Loss) on Sale/Impairment of Equipment was down \$(474,027) as impairments to assets caused by Hurricane Ida were recorded. Damaged/lost furniture and fixtures were also written off.

Gain (Loss) on Termination/Waiver of Lease Payments was up \$(4,232) as Hurricane Ida caused the Town to waive some lease payments on facilities due to damages caused to the facilities.

Expenses totaled \$2,984,590 for 2022, a decrease of \$(504,854). The **General Government Function** was up \$140,932 due to a decrease in emergency bridge repair costs (down \$(50,704)), a decrease in repairs and maintenance (down \$(48,389)), a decrease in legal fees (down \$(47,491)), a decrease in pension expense (down \$(32,738)), a decrease in regular salaries (down \$(33,704)), a drop in depreciation expense (down \$(24,454)), a decrease in insurance costs (down \$(18,334)), a decrease in miscellaneous expenses (down \$(8,231)), a drop in scholarship awards (down \$(6,000)), offset by increases in contract labor (up \$10,083), utilities (up \$14,530), and emergency hurricane costs (up \$384,886). **Public Safety** costs went down \$(26,100), mostly due to a drop in Redflex collection fees (down \$(12,171)), a drop in Victim’s Assistance Grant costs (down \$(7,075)), a decrease in officer salaries (down \$(7,310)), offset by an increase of \$13,308 in pension related costs. **Public Works** were up \$34,865, due to an increase of \$34,794 in depreciation expense. **Culture and Recreation** decreased \$(654,551) due to a decrease in Seafood Festival costs (down \$(678,034)), a decrease of \$(7,485) in depreciation expense, offset by an increase of \$7,560 in special events-other and an increase of \$27,093 in Tourism costs.

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.

As of June 30, 2022, the Town’s governmental funds reported combined ending fund balances of \$551,754, a decrease of \$(36,727) from the prior year. \$120,253 or 21.8% is classified as *non-spendable fund balance*, and the balance of \$431,501 or 78.2% is classified as *unassigned fund balance*, which is available for spending at the

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

Town's discretion. This amount is a net of the General Fund's *unassigned fund balance* of \$520,765 and the Capital Projects fund's *unassigned fund balance* of \$(89,264) 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, 2022, governmental revenues totaled \$3,000,761. Of this amount, \$2,247,098 was recorded in the General Fund and \$753,663 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 \$641,018. Unassigned fund balance of the General Fund totaled \$520,765, which is 94.4% 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 2022, the unassigned fund balance equaled 24.9% of the current year expenditures of the fund (up from 22.2% last year).

The General Fund's revenues totaled \$2,247,098 for 2022.

- Taxes totaled \$479,037, including sales taxes of \$402,305 and franchise taxes of \$76,732. In total, this was an increase of \$106,962 or 28.7 over last year (mostly in sales taxes, driven by motor vehicle taxes collected in the aftermath of Hurricane Ida).
- Intergovernmental revenues totaled \$337,454, including \$38,251 from federal grants, \$280,503 from state grants and allocations, and \$18,700 from parish/local grants. In total, this was a decrease of \$(21,115) or 5.9% from last year. The majority of this decrease had to do with a net increase in state grants (up \$14,645 due to drops in LADODT Bridge Disaster grants that were non-recurring, a drop in a grant for a Nature Trail that was non-recurring, offset by increases in grants for a police car and seafood market tourism). Federal grants were down \$(37,359) due to non-recurring funding of CARES Act Funding, a drop in FEMA Disaster Assistance funding, and a drop in Victim's Assistance Grant funding.
- Licenses and permits totaled \$60,541, which was an increase of \$1,178 or 2.0% over last year, mostly in occupational licenses and building permits (due to rebuilding after Hurricane Ida).
- Service charges, rentals and fees totaled \$95,968. In total, this was a decrease of \$(10,873) or 10.2% from last year (mostly due to facility rentals as most facilities were closed in the aftermath of Hurricane Ida and rental revenues dropped).
- Fines and forfeitures totaled \$29,901, which was a decrease of \$(90,944) or 75.3% from last year (mostly in Redflex tickets due to the slowdown in activity in the aftermath of Hurricane Ida).
- Gaming fees and commissions totaled \$397,416, including \$397,416 from the Boomtown Casino boarding fees and \$-0- from video poker allocations. In total, this was an increase of \$56,835 or 16.7% over last year. Boomtown increased \$56,835 due to an increase in fees from the Boomtown Belle Casino boarding fee (caused by the influx of cash into the economy in the aftermath of Hurricane Ida). Video Poker was down as there were no longer any video poker machines in the Town.
- Interest income totaled \$2,337, which was an increase of \$1,737 or 289.5% over last year. The increase was due to more available cash balances and a slight increase in rates.
- Other income totaled \$844,444, which is up \$66,594 or 8.6% from last year. The increase was mostly a net change from 1) a drop of \$(621,668) in Seafood Festival revenues, 2) an increase of \$579,828 in insurance proceeds, and 3) an increase of \$111,322 in contributions for hurricane relief. The drop in Seafood Festival revenues was caused by the 2022 festival being postponed from June 2022 until November 2022. The increases in insurance proceeds and contributions both related to Hurricane Ida.

Expenditures of the General Fund totaled \$2,090,370, which was \$(434,924) or 17.2% less than last year. The largest changes were seen in the General Government Function which saw a decrease in salaries and benefits (down \$(31,298)) and an increase in general and administrative costs (up \$229,386). Salaries and benefits were down mostly due to a drop in salaries after Hurricane Ida as several part-time employees were not brought back due to several facilities being closed and/or damaged by Hurricane Ida. General and Administrative Costs were up due to various increases and decreases in several line-items – emergency response – hurricanes, utilities, contract labor,

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

emergency response – bridge disaster, repairs and maintenance, legal fees, insurance, miscellaneous expenditures, and scholarship costs. The Public Safety function went down \$(39,409) mostly due to decreases in Redflex collection fees (as machines were turned off in the aftermath of Hurricane Ida). The Culture and Recreation Function was down \$(647,065) due to decreases in special events (as the Town had to postpone the Seafood Festival from June 2022 until November 2022). Capital outlay was up \$53,391 as the Town made several capital outlay purchases in 2022 (nature trail improvements, ATV, bullet proof vest, daiquiri machine, etc.).

The **Capital Projects Fund** incurred \$942,886 on various construction projects, including the Lafitte Auditorium Roof Project, the CDBG-Hurricane Isaac drainage improvement project, the Lafitte Sidewalk Beautification project, and the CDBG/CPRA-Wetlands Education Center project. This included \$147,403 in architect fees, \$786,258 in construction costs, and \$9,225 in other expenditures. \$753,663 was recognized as revenue from various federal and state grants. The General Fund also transferred \$176,514 to this fund to help cover costs on three projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were increased \$828,729 to reflect 1) an increase of \$90,725 in taxes, 2) an increase of \$22,204 in intergovernmental revenues (primarily for a decrease in Federal Grants of \$(40,000) from FEMA as grants are delayed, an increase in Federal Grants for police equipment of \$3,718, a decrease of \$(10,000) in Parish Transportation Funds from the State, an increase of \$50,000 in State Grants for a Police Car, an increase of \$25,000 in State Grants for Tourism/Seafood Market costs, and a drop of \$(5,000) in Parish Grants for Tourism), 3) a decrease of \$(24,100) in service charges, rentals and fees (primarily in facility rentals after closure from Hurricane Ida), 4) a decrease of \$(106,000) in fines and forfeitures (due to a decrease in fines after Hurricane Ida), 5) an increase of \$69,750 in gaming fees and commissions (due to an increase in commissions from the local casino after Hurricane Ida), 6) an increase in other income of \$776,450 (mainly due to an increase in insurance proceeds (up \$690,000), and contributions (up \$78,550) due to Hurricane Ida).

Budgeted expenditures of the General Fund increased \$657,564. General Government costs increased \$585,495 mostly due to 1) an increase of \$528,395 in emergency costs – hurricanes (related to Hurricane Ida response), 2) an increase of \$45,750 in insurance (due to increases in premiums), 3) an increase of \$14,000 in contract labor (labor hired in the aftermath of Hurricane Ida), 4) an increase of \$12,450 in group health costs (due to premium increases), 4) an increase of \$5,000 in repairs and maintenance, 5) a decrease of \$(5,000) in regular salaries (due to lay-offs of part-time employees after Hurricane Ida), 6) a decrease of \$(7,250) in retirement costs (due to a drop in covered salaries), and 7) a decrease of \$(10,000) in legal/magistrate fees (due to the non-recurrence of lawsuits from last year). Public Safety decreased \$(7,500) mostly due to 1) a decrease of \$(16,500) in Redflex collection fees (less tickets issued in the aftermath of Hurricane Ida), 2) an increase of \$5,000 in salaries – officers (due to overtime), and 3) an increase in police supplies of \$4,000. Culture and Recreation increased \$33,000 primarily to account for 1) an increase of \$16,750 in special events – other (anticipated costs associated with the Halloween event, seafood market events, etc.), 2) an increase of \$12,500 in tourism costs (due to an increase in state funding), 3) an increase of \$8,000 in Seafood Festival costs (to account for pre-festival costs).

The Town's General Fund actual revenues were over the budget by \$61,144 or 2.8%. This is principally due to 1) the Town collecting more than expected donations from Hurricane Ida relief efforts, and 2) the Town collected more State funds than expected due to an increase in parish transportation funding and a new grant for the seafood market tourism. The Town's general fund actual expenditures were under budget by \$46,194 or 2.2%. The General Government Function was under budget by \$41,945, primarily in salaries, insurance, emergency response costs, and utilities. The Culture and Recreation Function was \$(11,650) over budget due to tourism costs coming in higher than expected (due to end of year accruals). Capital outlays were \$13,678 under budget as a vehicle purchase was delayed.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

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, 2022 and 2021.

	Capital Assets, Net	
	Governmental Activities	
	June 30,	
	2022	2021
Land	\$ 690,985	\$ 690,985
Land Improvements	194,547	204,784
Buildings	17,490,111	18,293,922
Building Improvements	978,831	1,065,607
Furniture, Fixtures, and Equipment	217,391	226,973
Vehicles and Heavy Equipment	55,949	45,564
Infrastructure (Roads and Drainage)	10,090,742	7,564,337
Construction in Progress	2,565,370	4,640,099
Net Investment in Capital Assets	\$ 32,283,926	\$ 32,732,271

The majority of the capital additions for the year were for construction in progress as the Town continues to make capital improvements for the auditorium roof, drainage, sidewalks, and the Wetlands Education Center. For the year ended June 30, 2022, depreciation expense was \$970,595, as compared to \$967,740 last year.

Long-term Debt. The Town had no long-term debt outstanding at year-end. As discussed in Note 6, in April 2022, the Town was approved for a Community Disaster Loan (CDL) in the aftermath of Hurricane Ida; however, no drawdowns against this CDL had been made by the balance sheet date. Subsequent to year-end, the Town did begin to make drawdowns on the CDL loan.

Net Pension Liability. On the Statement of Net Position, the Town is also showing a non-current liability – pension-related totaling \$400,333. This represents the Town’s proportionate share of the Net Pension Liability of the Municipal Employees’ Retirement System. 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 \$(188,139)) due to changes in 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 (New Orleans-Metairie MSA) is currently 5.1 percent, which is 3.0 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. The COVID-19 pandemic and the state-mandated closures and restrictions have had a major effect on the local rate, as well as the after effects of Hurricane Ida. As the pandemic appears to be easing in the area, it is anticipated that the rate will continue to drop to more normal levels. The recovery from the storm will also help improve the local rates.
- Inflationary trends in the region compare favorably to national indices.
- The Town is continuing its 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, the sidewalk beautification project, and the Wetlands Education Center.
- The Town continues to monitor its budgeted revenues and expenditures and cash flows in light of the continuing uncertainties created by the COVID-19 pandemic. While some revenues have seen fluctuations, the Town has accounted for them in next year’s budget and is in a position to cover these losses for the time being.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2022

- In August 2021, Hurricane Ida devastated the southwestern region of the Parish, including the Town of Jean Lafitte. While only a few lives were lost, the property damage to residences and businesses throughout the area was extensive. The Town had to work for months to clear mud and debris from the area. Residents and businesses were displaced for weeks. The Town has had to relocate from its damaged Town Hall and continues to work to serve its residents and to begin the long-term recovery process. Claims have been filed with FEMA and with its insurance companies. A Community Disaster Loan (CDL) has been received to help with cash-flow problems as regular sales taxes and fines and forfeitures continue to lag pre-storm figures. The recovery effort continues.

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 the Temporary Town Hall, 4917 City Park Drive, Lafitte, LA 70067 or call (504) 689-2208 during office hours.

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BASIC FINANCIAL STATEMENTS

TOWN OF JEAN LAFITTE, LOUISIANA

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 747,119
Investments	177,095
Receivables - operating	640,258
Receivables - leases	8,514
Prepaid items	120,253
Total current assets	<u>1,693,239</u>
Capital Assets, not being depreciated	3,256,355
Capital Assets, net of depreciation	<u>29,027,571</u>
Total capital assets	<u>32,283,926</u>
 Total Assets	 <u>33,977,165</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension-related	<u>126,935</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable	514,643
Salaries and benefits payable	30,480
Unearned revenues	576,841
Total Current Liabilities	<u>1,121,964</u>
Non-Current Liabilities:	
Net pension liability	<u>400,333</u>
Total Liabilities	<u>1,522,297</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - leases	8,388
Deferred inflows - pension-related	<u>118,783</u>
	<u>127,171</u>
 NET POSITION	
Net investment in capital assets	32,283,926
Restricted for capital projects	-
Unrestricted	170,706
Total Net Position	<u>\$ 32,454,632</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, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:					
General Government	\$ 1,816,841	\$ 156,509	\$ 316,388	\$ (10,181)	\$ (1,354,125)
Public Safety	199,384	29,901	46,206	52,817	(70,460)
Public Works	361,258	-	-	-	(361,258)
Urban Development and Housing	-	-	-	-	-
Culture and Recreation	607,107	11,682	41,662	772,363	218,600
Intergovernmental	-	-	-	-	-
Total Governmental Activities	<u>\$ 2,984,590</u>	<u>\$ 198,092</u>	<u>\$ 404,256</u>	<u>\$ 814,999</u>	<u>(1,567,243)</u>

General Revenues:

Taxes	
Sales taxes	402,305
Franchise taxes	76,732
Gaming	
Boomtown fees	397,416
Video poker	-
Unrestricted interest	2,337
Insurance proceeds	709,450
Miscellaneous revenues	8,990
Gain (loss) on sale/impairment of equipment	(474,027)
Gain (loss) on termination of lease	(4,232)
Total General Revenues	<u>1,118,971</u>
Change in net position	(448,272)
Net Position - Beginning of year	32,902,904
Net Position - end of year	<u>\$ 32,454,632</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, 2022

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 747,119	\$ -	\$ 747,119
Investments	177,095	-	177,095
Receivables - general	180,490	459,768	640,258
Due from other funds	280,313	-	280,313
Receivables - leases	8,514	-	8,514
Prepaid items	120,253	-	120,253
Total Assets	<u>\$ 1,513,784</u>	<u>\$ 459,768</u>	<u>\$ 1,973,552</u>
LIABILITIES			
Accounts payable	\$ 245,924	\$ 268,719	\$ 514,643
Salaries and benefits payable	30,480	-	30,480
Due to other funds	-	280,313	280,313
Unearned grant revenues	576,841	-	576,841
Total liabilities	<u>853,245</u>	<u>549,032</u>	<u>1,402,277</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - leases	8,388	-	8,388
Unavailable grant revenue	11,133	-	11,133
	<u>19,521</u>	<u>-</u>	<u>19,521</u>
FUND BALANCES			
Non-spendable	120,253	-	120,253
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	520,765	(89,264)	431,501
Total fund balances	<u>641,018</u>	<u>(89,264)</u>	<u>551,754</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,513,784</u>	<u>\$ 459,768</u>	<u>\$ 1,973,552</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, 2022**

Total fund balances at June 30, 2022 - Governmental Funds	\$	551,754
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.		11,133
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets		49,581,382
Less accumulated depreciation		(17,297,456)
Deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred and expensed as consumed.		
Deferred outflows - pension-related		126,935
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		(400,333)
Deferred inflows related to the pension plans are not yet available and, therefore, are deferred and recognized as revenue in future periods.		
Deferred inflows - pension-related		(118,783)
Net position of governmental activities at June 30, 2022	\$	<u>32,454,632</u>

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, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 479,037	\$ -	\$ 479,037
Intergovernmental			
Federal	38,251	12,707	50,958
State	280,503	740,956	1,021,459
Parish/local	18,700	-	18,700
Licenses and permits	60,541	-	60,541
Service charges, rentals and fees	95,968	-	95,968
Fines and forfeitures	29,901	-	29,901
Gaming fees and commissions	397,416	-	397,416
Interest - banking and checking	2,337	-	2,337
Other	844,444	-	844,444
Total Revenues	<u>2,247,098</u>	<u>753,663</u>	<u>3,000,761</u>
EXPENDITURES			
Current:			
General government	1,769,800	-	1,769,800
Public safety	199,384	-	199,384
Public works	395	-	395
Urban development and housing	-	-	-
Culture and recreation	67,400	-	67,400
Intergovernmental	-	-	-
Capital Outlay	53,391	942,886	996,277
Total Expenditures	<u>2,090,370</u>	<u>942,886</u>	<u>3,033,256</u>
Excess (Deficiency) of Revenues over (under) Expenditures	156,728	(189,223)	(32,495)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	176,514	176,514
Transfers out	(176,514)	-	(176,514)
Proceeds from the sale of equipment	-	-	-
Gain (loss) on termination of lease	(4,232)	-	(4,232)
Total Other Financing Sources (Uses)	<u>(180,746)</u>	<u>176,514</u>	<u>(4,232)</u>
NET CHANGE IN FUND BALANCES	(24,018)	(12,709)	(36,727)
FUND BALANCES			
Beginning of year	665,036	(76,555)	588,481
End of year	<u>\$ 641,018</u>	<u>\$ (89,264)</u>	<u>\$ 551,754</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	(36,727)
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.		3,076
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, impairments, and donations) is to decrease net position		(474,027)
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	\$ 996,277	
Depreciation Expense	<u>(970,595)</u>	25,682
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		(61,831)
Current year amortization of certain deferred inflows and outflows		775
Recognition of On-Behalf Payments made to pension plan by non-employer entities		10,740
Deferral of current year pension contributions made by employer		84,040
Changes in Net Position of Governmental Activities	<u>\$</u>	<u>(448,272)</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, 2022

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, 2022

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, 2022

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) direct United States Treasury obligations, (2) bonds, indentures, and notes issued or guaranteed by federal agencies, provided that such obligations are backed by the full faith and credit of the United States (including but not limited to the FHA, FFB, GNMA, FHLB, FHLMC, FNMA, etc.), (3) direct repurchase agreements of any federal book entry only securities enumerated in (1) or (2), (4) time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks, as defined by RS 6:703(16) or (17), (5) mutual or trust funds registered with the Securities Exchange Commission, (6) guaranteed investment contracts issued by a bank or entity having one of the two highest short-term rating categories of either Standard & Poor's or Moody's Investors Services, and (7) certain commercial grade commercial paper. The portfolio of the entity is limited in certain categories, for example, the investment in mutual funds cannot exceed 25 percent of the entity's portfolio. 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, 2022 would not be material to the financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. LEASES

In accordance with GASB Statement No. 87, *Leases*, the Town recognizes a lease receivable and a deferred inflow of resources in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period greater than one year. The lease receivable or liability is measured at the commencement of the lease at the present value of payments expected to be received or paid during the lease term. Subsequently, the lease receivable or liability is reduced by the principal portion of lease payments received or paid. The right to use the capital asset and the deferred inflow of resources is initially measured as the initial amount of the lease receivable or liability, adjusted for lease payments received or paid at or before the lease commencement date. The right to use the capital asset is generally amortized as expenses while the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include (1) the discount rate used to present value the expected lease receipts, (2) lease term, and (3) lease receipts. The Town generally estimates incremental borrowing rate by looking at the most recently added debt to its books as the discount rate for measurement of the lease receivable. The current estimated rate of interest applied to the leases is 3.0%. The lease term includes the noncancellable period of the lease plus any renewal periods that management has determined they are reasonably certain to renew. Management monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the balances recognized if certain changes occur that are expected to significantly affect the amount of the leases.

6. 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.

7. 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.

Assets that suffer significant damage from a natural disaster but are not destroyed, may be considered "impaired" to a certain extent until repair is made. The amount of value that the asset is impaired is estimated based on evaluation and consultation with the Town engineer. Impairments are recognized as disposals in the year that they occur. As the asset is repaired and brought back into use, the repair costs are capitalized and added to the cost of the asset and depreciated as noted herein.

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<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

8. 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, 2022 would not be material to the financial statements.

9. LONG-TERM DEBT

In the government-wide financial statements, long-term debt (if any) 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.

10. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets and liabilities, 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 assets 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 assets that is applicable to a future reporting period and so it will not be recognized as an inflow of resources (revenue) until then.

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

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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows – Leases. Note 10 presents detailed information concerning the amounts related to leases, which are recognized at the inception of the lease in which the Town is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

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 of 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.

11. FUND EQUITY

In accordance with GASB Codification Section 1800, 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, 2022

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.

For *committed fund balances*, the Town Council is considered to be the highest level of decision-making authority and ordinances or resolutions passed by it is needed to establish, modify, or rescind a fund balance commitment. For *assigned fund balances*, the Mayor or Town Clerk may assign amounts to a specific purpose. While the Town has not established a policy for its use of unrestricted fund balances, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

12. 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.

13. CURRENT YEAR ADOPTION OF A NEW ACCOUNTING STANDARD

The Town adopted the provisions of GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use assets, and a lessor is required to recognize a lease receivable and a deferred inflow on leases. The Town determined that it does not have any lease agreements that are material in the aggregate that meet the lease criteria for recognition as a right of use leased asset and lease liability at June 30, 2022. However, the Town recognized “lessor” lease transactions and recorded leases receivable and deferred inflows on leases at June 30, 2022 (see Note 10). The implementation of this Standard had no effect on beginning fund balance or net position.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

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.

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. 513. Revenues of the General Fund were increased \$828,729 to reflect 1) an increase of \$90,725 in taxes, 2) an increase of \$22,204 in intergovernmental revenues (primarily for a decrease in Federal Grants of \$(40,000) from FEMA as grants are delayed, an increase in Federal Grants for police equipment of \$3,718, a decrease of \$(10,000) in Parish Transportation Funds from the State, an increase of \$50,000 in State Grants for a Police Car, an increase of \$25,000 in State Grants for Tourism/Seafood Market costs, and a drop of \$(5,000) in Parish Grants for Tourism), 3) a decrease of \$(24,100) in service charges, rentals and fees (primarily in facility rentals after closure from Hurricane Ida), 4) a decrease of \$(106,000) in fines and forfeitures (due to a decrease in fines after Hurricane Ida), 5) an increase of \$69,750 in gaming fees and commissions (due to an increase in commissions from the local casino after Hurricane Ida), 6) an increase in other income of \$776,450 (mainly due to an increase in insurance proceeds (up \$690,000), and contributions (up \$78,550) due to Hurricane Ida).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures increased \$657,564. The most significant of the changes made are described below.

Fund/Function	Original Budget	Amendments	Final Budget
General Government	\$ 1,226,250	\$ 585,495	\$ 1,811,745
Public Safety	209,000	(7,500)	201,500
Public Works	1,000	(500)	500
Culture and Recreation	22,750	33,000	55,750
Capital Outlay	20,000	47,069	67,069
	<u>\$ 1,479,000</u>	<u>\$ 657,564</u>	<u>\$ 2,136,564</u>

General Government costs increased \$585,495 mostly due to 1) an increase of \$528,395 in emergency costs – hurricanes (related to Hurricane Ida response), 2) an increase of \$45,750 in insurance (due to increases in premiums), 3) an increase of \$14,000 in contract labor (labor hired in the aftermath of Hurricane Ida), 4) an increase of \$12,450 in group health costs (due to premium increases), 4) an increase of \$5,000 in repairs and maintenance, 5) a decrease of \$(5,000) in regular salaries (due to lay-offs of part-time employees after Hurricane Ida), 6) a decrease of \$(7,250) in retirement costs (due to a drop in covered salaries), and 7) a decrease of \$(10,000) in legal/magistrate fees (due to the non-recurrence of lawsuits from last year).

Public Safety decreased \$(7,500) mostly due to 1) a decrease of \$(16,500) in Redflex collection fees (less tickets issued in the aftermath of Hurricane Ida), 2) an increase of \$5,000 in salaries – officers (due to overtime), and 3) an increase in police supplies of \$4,000.

Culture and Recreation increased \$33,000 primarily to account for 1) an increase of \$16,750 in special events – other (anticipated costs associated with the Halloween event, seafood market events, etc.), 2) an increase of \$12,500 in tourism costs (due to an increase in state funding), 3) an increase of \$8,000 in Seafood Festival costs (to account for pre-festival costs).

C) Expenditures in Excess of Budget

The General Fund's actual expenditures were less than the final budget by \$46,194 or 2.2%. The following functions had expenditures in excess of budget.

Function	Actual Costs	Budget	Excess
Culture and Recreation	\$ 67,400	\$ 55,750	\$ 11,650

The Culture and Recreation Function was over budget \$11,650 primarily due to an overage on the Tourism line-item of \$20,046. This amount went over-budget due to some year-end accruals that were not anticipated. This overage was offset by a positive variance of \$7,695 in Seafood Festival costs, as the Seafood Festival was postponed until the fall of 2023 and anticipated costs were less than expected.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

D) Deficit Fund Balances

The Town's Capital Projects Fund ended the year with a deficit fund balance of \$(89,264). It is anticipated that this deficit will be eliminated in future years as federal, state or local funding is received to fund the ongoing projects of the Town. The deficit was primarily caused by one project not receiving anticipated funding from the State due to delays in awarding grants. Management expects that these funds will be awarded in the near future and funding will cover past deficits.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A) Cash

At June 30, 2022, the carrying amount of the Town's cash deposits was \$747,119 the bank balance was \$785,784, all of which was covered by Federal depository insurance or by collateral consisting of securities held by the Town's agent in its name.

B) Investments

Investments held at June 30, 2022 consist of \$177,095 invested in the Louisiana Asset Management Pool (LAMP); a State of Louisiana Sponsored external investment pool. LAMP is administered by LAMP, Inc., a corporation organized under the laws of the State of Louisiana. Only local governments may participate in LAMP. Because the investments are reported at net asset value, they are not categorized in one of the fair value hierarchies established by GASB Codification Section 150. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Information about Credit Risk and Interest Rate Risk can be obtained at LAMP's website at www.lamppool.com.

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 included 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 4 – RECEIVABLES

Receivables at June 30, 2022 consist of the following:

Receivable	General Fund	Capital Projects Fund	Total
Taxes	\$ 55,510	\$ -	\$ 55,510
Service charges and fees	8,417	-	8,417
Intergovernmental			
Federal - FEMA	-	-	-
Federal - Other	9,460	129,740	139,200
State	50,417	330,028	380,445
Parish/Local	18,700	-	18,700
Licenses and permits	14,380	-	14,380
Fines and forfeitures	3,839	-	3,839
Gaming	17,931	-	17,931
Other	1,836	-	1,836
	<u>\$ 180,490</u>	<u>\$ 459,768</u>	<u>\$ 640,258</u>

The \$9,460 receivable from Federal – Other in the General Fund is related to the Victim’s Assistance Grant. The \$129,740 in the Capital Projects Fund is made up of amounts due on the Community Development Block Grant (CDBG) Disaster Recovery – Hurricane Isaac Drainage Project (See Note 5 for information on capital projects).

The \$50,417 receivable from the State in the General Fund is made up of \$19,789 for tourism related cost reimbursements, \$886 for beer tax remittances, and \$29,742 in Parish Transportation Act Funding. The \$330,028 in the Capital Projects Fund is made up of money due from the State CPRA Natural Resource Damage Assessment Fund for the Wetlands Center Construction Project (See Note 5 for information on capital projects).

The Town considers all receivables collectible and has not provided for any loss allowances.

For leases receivable information, see Note 10.

Unearned revenues include receipts for projects and events that have not yet occurred and, therefore, have not yet been “earned” or recognized as revenue. At June 30, 2022, the Town recognized two items totaling \$576,841 as unearned revenue – funds related to the Seafood Festival and funds related to the American Rescue Plan Act (ARPA). The Seafood Festival was supposed to take place in June 2022 (i.e., this fiscal year); however, it was postponed to November 2022 (next fiscal year). Any sponsorships or funding related to the festival were placed into the unearned revenue category in order to match these revenues with the related expenditures in the 2023 fiscal year when the festival occurs. The amount recorded was \$206,989. The Town also received \$369,852 of American Rescue Plan Act (ARPA) funding in the first tranche of funding related to this program. Due to delays caused by Hurricane Ida, this project has been postponed to next year (see Footnote 12.E for more information).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the governmental funds for the year ended June 30, 2022 was as follows:

	Balance 6/30/2021	Additions	Deletions	Transfers	Balance 6/30/2022
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 690,985	\$ -	\$ -	\$ -	\$ 690,985
Construction in progress	4,640,099	942,886	-	(3,017,615)	2,565,370
Total capital assets not being depreciated	<u>5,331,084</u>	<u>942,886</u>	<u>-</u>	<u>(3,017,615)</u>	<u>3,256,355</u>
Capital assets being depreciated:					
Land improvements	465,835	11,000	-	-	476,835
Buildings	24,709,278	-	(623,485)	-	24,085,793
Building improvements	2,176,404	-	(339,556)	234,200	2,071,048
Furniture, fixtures, and equipment	790,491	21,921	(262,794)	-	549,618
Vehicles and heavy equipment	474,717	20,470	(175,860)	-	319,327
Infrastructure (roads/drainage)	16,038,991	-	-	2,783,415	18,822,406
Total capital assets being depreciated	<u>44,655,716</u>	<u>53,391</u>	<u>(1,401,695)</u>	<u>3,017,615</u>	<u>46,325,027</u>
Less accumulated depreciation for:					
Land improvements	(261,051)	(21,237)	-	-	(282,288)
Buildings	(6,415,356)	(596,144)	415,818	-	(6,595,682)
Building improvements	(1,110,797)	(54,616)	73,196	-	(1,092,217)
Furniture, fixtures, and equipment	(563,518)	(31,503)	262,794	-	(332,227)
Vehicles and heavy equipment	(429,153)	(10,085)	175,860	-	(263,378)
Infrastructure (roads/drainage)	(8,474,654)	(257,010)	-	-	(8,731,664)
Total accumulated depreciation	<u>(17,254,529)</u>	<u>(970,595)</u>	<u>927,668</u>	<u>-</u>	<u>(17,297,456)</u>
Capital assets being depreciated, net					
Land improvements	204,784	(10,237)	-	-	194,547
Buildings	18,293,922	(596,144)	(207,667)	-	17,490,111
Building improvements	1,065,607	(54,616)	(266,360)	234,200	978,831
Furniture, fixtures, and equipment	226,973	(9,582)	-	-	217,391
Vehicles and heavy equipment	45,564	10,385	-	-	55,949
Infrastructure (roads/drainage)	7,564,337	(257,010)	-	2,783,415	10,090,742
Total capital assets being depreciated, net	<u>27,401,187</u>	<u>(917,204)</u>	<u>(474,027)</u>	<u>3,017,615</u>	<u>29,027,571</u>
Total Governmental Activities capital assets, net	<u>\$ 32,732,271</u>	<u>\$ 25,682</u>	<u>\$ (474,027)</u>	<u>\$ -</u>	<u>\$ 32,283,926</u>

Depreciation expense was charged to the functions of the governmental activities in 2022 as follows:

Function	
General Government	\$ 70,025
Public Safety	-
Public Works	360,863
Culture and Recreation	539,707
	<u>\$ 970,595</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in progress at June 30, 2022 consisted of the following projects:

Project	Construction In Progress	Expended During 2022
Auditorium Demolition and Construction	\$ -	\$ 102,800
CDBG Disaster Recovery Drainage Projects:		
Hurricane Isaac Drainage Improvements	-	26,228
Lafitte Sidewalk Beautification	1,014,107	47,486
Wetlands Education Center	1,551,263	766,372
	\$ 2,565,370	\$ 942,886

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 was completed in the prior year; however, the Town had a dispute with the contractor in regards to the roof and other issues. A settlement was reached and the Town entered into a new contract in 2021 for \$213,250 with a different contractor to correct deficiencies with the auditorium's roof. In 2022, payments of \$102,800 (for construction and project management), which brought the roof project total to \$234,200 at completion. These costs were capitalized during 2022.

A CDBG Disaster Recovery Grant paid for various street drainage projects throughout the Town in prior years. During 2022, the Town continued work under a CDBG Disaster Recovery Grant to pay for Hurricane Isaac-related drainage improvements in the area. The original grant was for \$2,500,000. Total receipts for the year under this grant totaled \$358,101, with \$358,101 having been accrued as revenue in the prior year. The Town incurred construction and legal costs of \$26,228 in 2022, bringing the project-to-date costs to \$2,783,415. The current year costs have been added to construction in progress and then capitalized into infrastructure at year end. Of the current year costs, \$8,058 was received under the grant during the year and \$129,740 remains accrued as receivable at year end. \$-0- has been recognized as revenue in the Capital Projects Fund during 2022. Reimbursement requests have been submitted. The \$26,288 in closing engineering costs are not grant eligible and are being paid for via a transfer from the General Fund. This project is considered complete despite final payment not yet being received.

The Lafitte Sidewalk Beautification project is made up of various phases (Phase I, Phase II, Rosethorne Path, and Levee Path #4) 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 2022, costs of \$47,486 were added to construction in progress, bringing the total project costs-to-date to \$1,014,107. During the year, \$-0- was received under the grant. The Town ended up funding the current year costs through an operating transfer from the General Fund in the amount of \$47,486. This project continues.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

The Wetlands Education Center is being funded with a National Disaster Resilience Project from HUD/CDBG (\$457,000 from LASAFE for Architecture and Design) plus \$2,000,000 for construction from a grant from the Coastal Restoration and Protection Authority (CPRA) using National Resource Damage Assessment (NRDA) Funds from the BP Oil Spill Trust, State Capital Outlay funds (\$700,000 for construction), and Parish funds (\$250,000 for design and construction). In total, the project is estimated to cost \$3,425,000. For 2022, the Town spent \$766,372 on architecture, design and testing work, and construction. This amount has been added to construction in progress. Of this amount, \$12,707 has been submitted under the NDR grant from HUD/CDBG – LASAFE Grant and \$740,956 has been submitted to the CPRA under the NRDA Grant. During 2022, \$585,589 was received and another \$330,028 has been accrued as receivable at year end under these grants. The total revenues of \$753,663 have been recognized in the Capital Projects Fund. Reimbursement requests have been submitted and some of the funds have been received subsequent to year end. This project continues.

Hurricane Ida struck the Town in August 2021 (See Footnote 12.C) and caused widespread damage throughout the area. Several of the Town’s buildings sustained damage from flood waters and/or driving wind and rain. Specifically, the Town Hall, the Art Gallery and the Medical Center received damages in excess of 50 percent of their estimated values. The contents of these buildings were also mostly lost to the flood waters. Due to the level of damages received, the Town considers these three buildings to be “impaired” and has decreased their values in 2022 by the estimated amount of impairment. Of the amounts included in “Deletions” in the Capital Asset Activity Schedule above, \$1,074,057 is made up of estimated impairments to the buildings and \$327,638 are true deletions for damages to furniture, fixtures, vehicles and equipment caused by the hurricane. Accumulated depreciation related to these assets was reduced by \$927,668 (\$600,030 for impairments to buildings and \$327,638 for furniture, fixtures, vehicles and equipment), resulting in a net loss of \$(424,027) for 2022.

All three of the impaired buildings are currently out of service pending repair. As they are repaired and brought back into service, the costs incurred will be captured and capitalized into fixed assets.

NOTE 6 – LONG-TERM DEBT

FEMA Community Disaster Loan

The Town applied for and received approval for a Community Disaster Loan (CDL) from the Federal Emergency Management Agency (FEMA) in the aftermath of Hurricane Ida (ID B9192B1 – EMT-2022-LF-4611LA01). This program is designed to provide badly needed operating funds to local governments in disaster areas who are facing revenue shortfalls caused by natural disasters. In April 2022, the Town was approved for a CDL loan up to \$364,750. The loan accrues simple interest at the rate not to exceed 3.5% and is due 5 years after the initial draw down. As of fiscal year-end, the Town had not yet drawn down any funds against this approved amount. Subsequent to year end, the Town did start making draw downs against this loan. As of the date of this report, \$215,469 has been borrowed. This debt, plus interest, will be shown as long-term debt in 2023.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

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 \$280,313. 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 2022, the General Fund had to make a transfer to the Capital Project Fund for \$102,800 to cover construction and project management costs on the roofing project at the Auditorium. These costs were over and above any Federal or State funding sources for this project. The Town also transferred \$26,228 for the CDBG Disaster Recovery – Isaac Drainage project. These costs were incurred on engineering fees and were over and above any Federal or State funding sources for this project. The Town also transferred \$47,486 on the Lafitte Sidewalks Project, which covers costs through 2022 on the Rosethorne Path and the Levee Path #4 that were not yet eligible for Federal or State Funding.

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 deferred outflows of resources and liabilities and deferred inflows of resources. 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.11, in accordance with GASB Statement Codification Section 1800, fund balance of the governmental fund types is 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 8 – RESTRICTIONS OF NET POSITION AND FUND BALANCE COMPONENTS (CONTINUED)

At June 30, 2022, the Town reported \$120,253 in the non-spendable category to reflect that the assets in prepaid items that are not in spendable form. The remaining balance of \$431,501 is categorized as unassigned fund balance - \$520,765 in the General Fund and a deficit in unassigned fund balance of \$(89,264) in the Capital Projects Fund.

NOTE 9 - SALES TAXES

For the year ended June 30, 2022, 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 2022, these taxes generated \$344,164, 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 2022, this tax generated \$58,141.

It should be noted that the majority of the sales taxes recognized in 2022 were generated in the aftermath of Hurricane Ida from sales related to citizens purchasing motor vehicles to replace damaged vehicles. Normal recurring sales taxes were severely affected by the aftermath of the flood damage caused by the hurricane and the closure of many businesses and the relocation of many citizens during the cleanup and rebuilding period.

NOTE 10 – LEASES

A) The Town as Lessee

The Town does not have any lease agreements that are material in amount or meet the criteria for recognition and reporting in the financial statements as a right of use leased assets and lease liability at June 30, 2022.

B) The Town as Lessor

The Town leases various Town-owned facilities to businesses and citizens on a short-term basis. The Auditorium, Civic Center, and the Seafood Market are typically leased to citizens on short-term rentals for weddings, birthday parties, dances, or other social events. These short-term rentals (net of refunds and deposits) generated \$65,965 in lease income during 2022.

Three other Town-owned buildings are leased under long-term leases to outside entities. Two buildings are rented to businesses (one is utilized as a medical center and the other is an Anytime Fitness gym) and one building is partially leased to the local State Representative. The net book value of these facilities being leased out amounts to approximately \$123,000.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 10 – LEASES (CONTINUED)

The Medical Center building was being leased for a period of 3 years (the lease term was from January 30, 2019 to January 30, 2022). Monthly payments of \$1,500 were due under this lease. The Medical Center was taken out of service after the hurricane in August 2021 due to damages sustained. The Anytime Fitness gym lease was renewed for a period of three years (the new lease term is from September 27, 2019 to September 27, 2022). Monthly payments of \$1,300 are due under this lease. The local State Representative began leasing an office in the Tourist Center in February 2020. The lease term is four years (beginning on February 1, 2020 through December 31, 2023). Monthly payments of \$250 are due under this lease

In accordance with GASB Statement No. 87, *Leases*, a receivable has been recorded for the present value of lease payments to be received over the lease term of these agreements. As of June 30, 2022, the value of the lease receivables totaled \$8,514. Also, deferred inflows associated with these leases has been recorded and will be recognized as revenue over the lease term. The total of the deferred inflows at June 30, 2022 was \$8,388. Inflows recognized during the year ended June 30, 2022 consisted of lease revenue of \$28,571 and interest income of \$587. A loss associated with the termination/waiver of payments after Hurricane Ida of \$(4,232) was also recognized. Since the lease agreements include scheduled payments over multiple years, the receivable balances include amounts not expected to be collected within the next year. The balances and current activity on each lease are as follows:

	Medical Center	Anytime Fitness	State Rep Office	Total
Value of Lease Receivable at June 30, 2022	\$ -	\$ 4,633	\$ 3,881	\$ 8,514
Deferred Inflows - Leases at June 30, 2022	\$ -	\$ 4,565	\$ 3,823	\$ 8,388
Inflows Recognized in 2022:				
Lease revenues	\$ 10,396	\$ 2,883	\$ 15,292	\$ 28,571
Interest on leases	78	185	324	587
Total Recognized as Facility Rentals	<u>\$ 10,474</u>	<u>\$ 3,068</u>	<u>\$ 15,616</u>	<u>\$ 29,158</u>
Gain (loss) on terminated/waived payments	<u>\$ (2,974)</u>	<u>\$ -</u>	<u>\$ (1,258)</u>	<u>\$ (4,232)</u>

NOTE 11 - EMPLOYEE PENSION PLAN

The Town provides pension benefits for all of its full-time employees through a cost-sharing, multiple-employer public employee retirement system. 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.

General Information about the Pension Plan

Plan Description/Benefits Provided

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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

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, 2013, 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.

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.

Disability Benefits

For Plan A of the Municipal System, 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 of the Municipal System, 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

Survivor Benefits

Survivor benefits are available to the surviving spouse and/or minor children as outlined in the Municipal System 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.

Deferred Retirement Option Plan Benefits (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member of the Municipal System's 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.

Cost of Living Adjustments

The Municipal 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.

Contributions

According to state statutes, contribution requirements for all employers of the Municipal System are actuarially determined each year. For the year ended June 30, 2021, the actuarially determined employer contribution rate was 29.50% for Plan A (the Plan that the Town participates in) and 15.50% for Plan B.

For 2022, the actual employer contribution rate was 29.50% for Plan A, while the employee contribution rate was 10.00%. Employer and employee contributions to Municipal System – Plan A for fiscal year 2022 were as follows:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

<u>Source</u>	<u>Amount</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll</u>
Employee	\$ 28,491	\$ 284,912	10.00%
Employer	84,040	284,912	29.50%

In accordance with state statutes, the Municipal 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 \$10,740 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, 2022, the Town reported a liability of \$400,333 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System. The NPL was measured as of June 30, 2021, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date.

The Town's proportion of the NPL was based on the Town's actual contributions to the pension plan during the measurement period relative to the contributions of all participating employers. As of June 30, 2021, the most recent measurement date, the Town's proportionate share for the system was:

The Municipal System	
Town's Proportionate Share	0.143927%
Decrease from prior year	0.007814%

For the year ended June 30, 2022, the Town recognized a total pension expense (benefit) of \$61,056. These amounts are made up of the following:

<u>Components of Pension Expense (Benefit)</u>	<u>The Municipal System</u>
Town's pension expenses per the pension plan	\$ 45,845
Town's amortization of its change in proportionate share	15,986
Town's amortization of actual contributions over its proportionate share of contributions	(775)
Total Pension Expense (Benefit) Recognized by Town	<u>\$ 61,056</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>The Municipal System</i>		
a) Differences between expected and actual experience	\$ 145	\$ 4,579
b) Net change in assumptions	14,630	-
c) Net difference between projected and actual earnings on pension plan investments	-	112,795
d) Changes in proportion to NPL	28,120	
e) Differences between the Town's contributions and its proportionate share of contributions	-	1,409
f) Town's contributions subsequent to the June 30, 2021 measurement date	84,040	-
	<u>\$ 126,935</u>	<u>\$ 118,783</u>

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date (June 30, 2021) totaled \$84,040. These amounts will be recognized as a reduction of the NPL in the year ending June 30, 2023. 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
2023	\$ (2,636)
2024	11,006
2025	29,337
2026	38,181
	<u>\$ 75,888</u>

Actuarial Assumptions

The total pension liability for the municipal system in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

Description	Assumptions/Methods The Municipal System
Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
<u>Actuarial Assumptions:</u>	
Investment Rate of Return	6.850%, net of investment expense
Inflation Rate	2.500%
Projected Salary Increases	4.50% to 6.40%(depending on years of service - Plan A)
Mortality Rates - Non-disabled	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective MP2018 scales
Mortality Rates - Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scales
Mortality Rates - Other	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective MP2018 scales
Expected Remaining Service Lives	3 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 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) is 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:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Public Equity	53.0%	2.31%
Public Fixed Income	38.0%	1.65%
Alternative Investments	9.0%	0.39%
Totals	100.0%	4.35%
Inflation		2.60%
Expected Arithmetic Rate of Return		6.95%

Discount Rate. The discount rate used for the Municipal System was 6.850%. 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

Based on those assumptions, 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 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.

The Municipal System

	1.0% Decrease	Current Discount Rate	1.0% Increase
	5.850%	6.850%	7.850%
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ 592,914	\$ 400,333	\$ 237,672

Pension Plan Fiduciary Net Position. The Municipal System issues publicly available financial reports that include financial statements and required supplementary information for the System. Detailed information about the system’s fiduciary net position is available in these separately issued 2021 financial reports.

These reports may be obtained by visiting the Louisiana Legislative Auditor’s website at www.lla.la.gov and searching under the Reports Section. The Municipal System's report can also be found at www.mersla.com.

Payables to the Pension Plan. At June 30, 2022, the Town had payables to the pension plan totaling \$8,660 for the June 2022 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

NOTE 12 – 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 for which the Town’s legal counsel has determined that an unfavorable outcome is probable and the damages are estimable. Thus, there are no accruals for any loss claims.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C) Federal Assistance – Public Disaster Assistance

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 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. The Town has filed for and received insurance proceeds, as well as 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. The Town's share of the approved claims was -0- percent. To date, \$1,861,494 has been authorized plus an additional \$30,392 of administrative costs, for a total of \$1,891,886. 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 \$1,861,886 from FEMA. During 2022, FEMA applied credits of \$(57,126) against authorized payments due on other hurricane claims (applied credits are used to offset payments from other FEMA claims). The result was a current year revenue of \$(57,125) on this project. There was no other activity on this disaster during the year. The Town is awaiting completion and close-out of two projects by FEMA related to this disaster.

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, \$1,302,745 has been obligated. The Town's share of the approved claims was 10 percent in some cases for a total of \$51,243. To date, \$1,251,498 has been authorized for payment. In 2022, FEMA applied \$(10) in credits to another grant, resulting in a current year revenue of \$(10) under this project. There was no other activity on this disaster during the year. The Town is awaiting completion and close-out of two project by FEMA related to this disaster.

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, \$180,406 has been obligated. The Town's share of the approved claims was 25 percent in some cases for a total of \$28,157. To date, \$84,471 has been authorized for payment. To date, \$95,604 has been received from FEMA. This overpayment of \$11,133 has been recognized in the General Fund as deferred revenue (or unavailable grant revenue) at year-end. During 2022, the only activity in this disaster was the un-authorization of some costs and the obligation of other costs. The Town is awaiting completion and close-out of three projects by FEMA related to this disaster.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Tropical Storm Barry (4458-DR-LA)

The Town was affected by Tropical Storm Barry in July 2020. To date, claims totaling \$10,778 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, \$10,778 has been obligated. The Town's share of the approved claims was 25 percent in some cases for a total of \$2,694. To date, \$8,083 has been authorized for payment. In 2022, there was no activity on this disaster. The lone project under this disaster was closed by FEMA in October 2021.

Hurricane Zeta (3549-DR-LA)

The Town was affected by Hurricane Zeta in October 2020. The Town has filed claims totaling \$166,498 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, \$79,990 has been obligated. The Town's share of the approved claims will be 25 percent for a total of \$19,045. To date, \$57,135 has been authorized for payment. To date, \$57,135 has been received from FEMA through applied payments/credits from other grants. During 2022, the result was the recognition of \$57,135 in revenues under this project. \$3,809 in administrative costs have been submitted but are not yet approved or obligated. There was no other activity on this disaster during the year. The Town is awaiting completion and close-out of two project by FEMA related to this disaster.

Hurricane Ida (4611-DR-LA)

In August 2021, Hurricane Ida devastated parts of southeast Louisiana, including the area that includes the Town of Jean Lafitte. Winds approaching Category 5 strength brought a tidal surge of 7 to 11 feet up Bayou Barataria, which overtopped the Town's system of ring levees. Between the winds and widespread flooding, the Town and its residents saw widespread destruction. Several of the Town's buildings were adversely impacted by the storm, especially the Town Hall, the Art Gallery and the Medical Center, all of which took on water and are currently unusable. Some of the Town's vehicles and equipment were also damaged or lost in the storm. Claims have been filed with the Town's insurance carriers and proceeds of \$709,450 have been recognized in the General Fund.

The Town has also requested assistance from the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. The Town has filed claims totaling \$734,793 with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$577,761 has been obligated. The Town's share of the approved claims will be 10 percent for any costs claimed after the first 45 days past the storm. At June 30, 2022, FEMA was still reviewing and approving the costs submitted and adjusting for insurance requirements. No payments have been authorized or received as of June 30, 2022; thus, no accruals have been made at year end. The Town expects the costs, less adjustments for insurance, to be approved in 2023.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

D) COVID-19 Pandemic

In early March 2020, the COVID-19 virus was declared a global pandemic, and unfortunately it continues to spread throughout the United States. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Despite major advancements in rolling out vaccinations across the country, the virus continues to linger in some areas. Management of the Town is carefully monitoring the situation and evaluating its options during this time.

Since most of the Town’s assets are short-term in nature, there is no effect on their fair value as of the date of this report. The various grants and contracts are also still in place, therefore, future funding for these projects do not appear to be in jeopardy at this time. There are some pressures on some budgeted revenues in the future due to occasional facility closures and restrictions imposed by the State. Sales tax revenues, gaming fees and fines and forfeitures continue to fluctuate, as well, depending on the rate of contagion in the area. The pandemic appears to be in its final stages of being a “deadly contagion” as vaccines and immunity have spread throughout the community. Cases of infection continue; however, the death rate from the virus has decreased substantially from last year. No adjustments have been made to these financial statements as a result of this continued uncertainty.

E) American Rescue Plan Act (ARPA) - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

As part of the Federal Government’s continuing effort to help in the recovery from the COVID-19 pandemic, the Federal Government passed the American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program in 2022. Through the SLFRF, State and local governments are receiving direct payments to spend on various categories of operating or capital costs. The funds are being disbursed in two tranches over the next two years. The Town of Jean Lafitte received the first tranche payment in September 2021 in the amount of \$369,852. Under the terms of the agreement, the Town has until December 21, 2024 to spend these funds in the approved expense categories.

Through June 30, 2022, the Town has submitted its expenditure plan but has not spent any of the funds due to delays caused by Hurricane Ida. As such, the entire \$369,852 that was received has not been recognized as a revenue in the current year but instead has been recognized as an “unearned revenue” (a liability) on the Statement of Net Position as of June 30, 2022. It is anticipated that the revenues will be recognized as the project expenses begin to come online and begin to be spent in the future years.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022

NOTE 13 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

As of June 30, 2022, the Government Accounting Standards Board (GASB) has issued several statements not yet implemented by the Town. In May 2020, GASB issued Statement No. 95 which delayed the implementation dates of the outstanding Statements in response to the COVID19 pandemic. The Statements, along with the new effective dates, which might impact the Town in the future, are as follows:

- **Governmental Accounting Standards Board Statement No. 91 (GASB 91)**
The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.
- **Governmental Accounting Standards Board Statement No. 94 (GASB 94)**
The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, in March 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.
- **Governmental Accounting Standards Board Statement No. 96 (GASB 96)**
The GASB issued Statement No. 95, *Subscription-Based Information Technology Arrangements*, in May 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.
- **Governmental Accounting Standards Board Statement No. 99 (GASB 99)**
The GASB issued Statement No. 99, *Omnibus 2022*, in April 2022. Certain requirements are effective upon issuance. The requirements of this Statement related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.
- **Governmental Accounting Standards Board Statement No. 100 (GASB 100)**
The GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, in June 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.
- **Governmental Accounting Standards Board Statement No. 101 (GASB 101)**
The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The requirements of this Statements are effective for reporting periods beginning after December 15, 2023.

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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) 2022	(1) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013
Town's proportion of the net pension liability (asset)	0.143927%	0.136113%	0.129646%	0.131455%	0.135784%	0.105155%	0.103707%	0.112296%	0.149929%	-
Town's proportionate share of the net pension liability (asset)	\$ 400,333	\$ 588,472	\$ 541,747	\$ 544,313	\$ 568,042	\$ 431,000	\$ 370,458	\$ 288,201	\$ 464,691	-
Town's covered payroll (CEP)	\$ 285,000	\$ 260,154	\$ 240,000	\$ 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)	140.47%	226.20%	225.73%	226.80%	230.34%	229.44%	209.30%	140.84%	253.28%	-
Plan fiduciary net position as a percentage of the total pension liability	77.82%	64.52%	64.68%	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) 2022	(1) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013
Town's contractually required contribution	(3) \$ 84,040	\$ 84,075	\$ 72,193	\$ 62,400	\$ 59,400	\$ 56,100	\$ 37,100	\$ 34,958	\$ 38,370	\$ 26,144
Contributions by Town in relation to the contractually required contribution	84,040	84,075	72,193	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)	\$ 284,912	\$ 285,000	\$ 260,154	\$ 240,000	\$ 240,000	\$ 246,611	\$ 187,847	\$ 176,999	\$ 204,634	\$ 183,467
Contractually required contributions as a percentage of covered payroll (CEP)	29.50%	29.50%	27.75%	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) 2022	(1) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013
Town's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.006982%	0.012524%	0.012923%	0.023565%	-
Town's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,441	\$ 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%	0.00%	0.00%	0.00%	334.57%	292.87%	121.59%	154.02%	-
Plan fiduciary net position as a percentage of the total pension liability	84.09%	70.94%	71.01%	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) 2022	(5) 2021	(5) 2020	(5) 2019	(5) 2018	(5) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013
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%	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, have been no employees participating in MPERS since FY 16/17.

TOWN OF JEAN LAFITTE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
CHANGES IN BENEFIT TERMS AND CHANGES IN ASSUMPTIONS
LAST 10 FISCAL YEARS

Changes in Benefit Terms Include:

Municipal Employee's Retirement System (Plan A)

There were no changes of benefit terms for the year ended June 30, 2022.

Municipal Police Employee's Retirement System

There were no changes of benefit terms for the year ended June 30, 2022.

Changes of Assumptions:

Municipal Employee's Retirement System (Plan A)

The following changes in actuarial assumptions for each year are as follows:

Discount Rate			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	6.850%	-0.100%
6/30/2021	6/30/2020	6.950%	-0.050%
6/30/2020	6/30/2019	7.000%	-0.275%
6/30/2019	6/30/2018	7.275%	-0.525%
6/30/2018	6/30/2017	7.800%	0.300%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	-0.250%
6/30/2015	6/30/2014	7.750%	

Inflation Rate			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	2.500%	0.000%
6/30/2021	6/30/2020	2.500%	0.000%
6/30/2020	6/30/2019	2.500%	-0.100%
6/30/2019	6/30/2018	2.600%	-0.175%
6/30/2018	6/30/2017	2.775%	-0.100%
6/30/2017	6/30/2016	2.875%	0.000%
6/30/2016	6/30/2015	2.875%	-0.125%
6/30/2015	6/30/2014	3.000%	

Inflation Rate of Return			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	6.850%	-0.100%
6/30/2021	6/30/2020	6.950%	-0.050%
6/30/2020	6/30/2019	7.000%	-0.275%
6/30/2019	6/30/2018	7.275%	-0.125%
6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	-0.250%
6/30/2015	6/30/2014	7.750%	

Salary Increases			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	4.5% - 6.4%	Not Available
6/30/2021	6/30/2020	4.5% - 6.4%	Not Available
6/30/2020	6/30/2019	4.5% - 6.4%	Not Available
6/30/2019	6/30/2018	5.000%	0.000%
6/30/2018	6/30/2017	5.000%	0.000%
6/30/2017	6/30/2016	5.000%	0.000%
6/30/2016	6/30/2015	5.000%	-0.750%
6/30/2015	6/30/2014	5.750%	

Municipal Police Employee's Retirement System

The following changes in actuarial assumptions for each year are as follows:

Discount Rate			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	6.750%	-0.200%
6/30/2021	6/30/2020	6.950%	-0.175%
6/30/2020	6/30/2019	7.125%	-0.075%
6/30/2019	6/30/2018	7.200%	-0.125%
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	0.000%
6/30/2015	6/30/2014	7.500%	

Inflation Rate			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	2.500%	0.000%
6/30/2021	6/30/2020	2.500%	0.000%
6/30/2020	6/30/2019	2.500%	-0.100%
6/30/2019	6/30/2018	2.600%	-0.100%
6/30/2018	6/30/2017	2.700%	-0.175%
6/30/2017	6/30/2016	2.875%	0.000%
6/30/2016	6/30/2015	2.875%	-0.125%
6/30/2015	6/30/2014	3.000%	

Inflation Rate of Return			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	6.750%	-0.200%
6/30/2021	6/30/2020	6.950%	-0.175%
6/30/2020	6/30/2019	7.125%	-0.075%
6/30/2019	6/30/2018	7.200%	-0.125%
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	0.000%
6/30/2015	6/30/2014	7.500%	

Salary Increases			
Year End	Measurement Date	Rate	Change
6/30/2022	6/30/2021	4.70% - 12.30%	0.000%
6/30/2021	6/30/2020	4.70% - 12.30%	0.45% to 2.55%
6/30/2020	6/30/2019	4.25% - 9.75%	0.000%
6/30/2019	6/30/2018	4.25% - 9.75%	0.000%
6/30/2018	6/30/2017	4.25% - 9.75%	0.000%
6/30/2017	6/30/2016	4.25% - 9.75%	0.000%
6/30/2016	6/30/2015	4.25% - 9.75%	0.000%
6/30/2015	6/30/2014	4.25% - 9.75%	

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, 2022

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes	\$ 479,037	\$ 467,600	\$ 11,437	\$ 376,875
Intergovernmental				
Federal	38,251	58,178	(19,927)	95,000
State	280,503	254,126	26,377	190,100
Parish/local	18,700	17,550	1,150	22,550
Licenses and permits	60,541	62,000	(1,459)	63,500
Service charges, rentals and fees	95,968	94,500	1,468	118,600
Fines and forfeitures	29,901	26,000	3,901	132,000
Gaming fees and commissions	397,416	395,000	2,416	325,250
Interest - banking and checking	2,337	1,700	637	500
Other	844,444	809,300	35,144	32,850
Total Revenues	<u>2,247,098</u>	<u>2,185,954</u>	<u>61,144</u>	<u>1,357,225</u>
EXPENDITURES				
Current:				
General government	1,769,800	1,811,745	41,945	1,226,250
Public safety	199,384	201,500	2,116	209,000
Public works	395	500	105	1,000
Urban development and housing	-	-	-	-
Culture and recreation	67,400	55,750	(11,650)	22,750
Intergovernmental	-	-	-	-
Capital Outlay	53,391	67,069	13,678	20,000
Total Expenditures	<u>2,090,370</u>	<u>2,136,564</u>	<u>46,194</u>	<u>1,479,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>156,728</u>	<u>49,390</u>	<u>107,338</u>	<u>(121,775)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(176,514)	(94,000)	(82,514)	-
Proceeds from the sale of equipment	-	-	-	-
Gain (loss) on termination of lease	(4,232)	-	(4,232)	-
Total Other Financing Sources (Uses)	<u>(180,746)</u>	<u>(94,000)</u>	<u>(86,746)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(24,018)	(44,610)	20,592	(121,775)
FUND BALANCE				
Beginning of year	665,036	665,036	-	857,645
End of year	<u>\$ 641,018</u>	<u>\$ 620,426</u>	<u>\$ 20,592</u>	<u>\$ 735,870</u>

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**INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

TOWN OF JEAN LAFFITE, LOUISIANA

SCHEDULE OF REVENUES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes				
Sales Taxes	\$ 402,305	\$ 393,000	\$ 9,305	\$ 285,075
Franchise Taxes	76,732	74,600	2,132	91,800
Total Taxes	479,037	467,600	11,437	376,875
Intergovernmental				
Federal				
FEMA - Public Assistance Grants	(11,133)	10,000	(21,133)	50,000
Police - Equipment Grants	3,178	3,178	-	-
Victim's Assistance Grants	46,206	45,000	1,206	45,000
CDBG - Housing Assistance Grants	-	-	-	-
CARES Act - COVID 19	-	-	-	-
ARPA Grant	-	-	-	-
Total Federal	38,251	58,178	(19,927)	95,000
State				
Parish Transportation Fund	168,000	158,000	10,000	166,800
Beer Tax Allocation	3,195	3,100	95	3,300
Tobacco Tax Allocation	131	150	(19)	-
Senior Citizen Utility Income	20,000	20,000	-	20,000
LADODT - Bridge Disaster Reimbursements	-	-	-	-
Nature Trail	(2,124)	(2,124)	-	-
Police Equipment	-	-	-	-
Police Car	49,639	50,000	(361)	-
Tourism/Seafood Market	41,662	25,000	16,662	-
Total State	280,503	254,126	26,377	190,100
Parish/local				
Library Grant	18,700	17,550	1,150	17,550
Tourism	-	-	-	5,000
Total Parish/Local	18,700	17,550	1,150	22,550
Total Intergovernmental	337,454	329,854	7,600	307,650
Licenses and permits				
Occupational Licenses	20,415	21,000	(585)	25,000
Insurance Premium Fees	28,978	30,000	(1,022)	28,000
Alcoholic Beverage Permits	1,381	1,500	(119)	1,500
Building, Electrical and Plumbing Permits	9,767	9,500	267	9,000
	60,541	62,000	(1,459)	63,500
Service charges, rentals and fees				
Facility Rentals	95,123	93,750	1,373	118,600
Details - Admin Fee	845	750	95	-
	95,968	94,500	1,468	118,600
Fines and forfeitures				
Fines - Redflex Traffic Systems	5,095	6,000	(905)	22,000
	24,806	20,000	4,806	110,000
	29,901	26,000	3,901	132,000
Gaming fees and commissions				
Boomtown Boarding Fees	397,416	395,000	2,416	325,000
Video Poker Fees	-	-	-	250
	397,416	395,000	2,416	325,250
Interest - checking and savings				
	2,337	1,700	637	500
	2,337	1,700	637	500
Other				
Donations - Other	1,000	1,000	-	1,000
Donations - Wetlands Center	2,000	2,000	-	-
Donations - Hurricane Ida Relief	111,322	76,550	34,772	-
Insurance Proceeds	709,450	710,000	(550)	20,000
Special Events and Festivals	10,677	10,000	677	3,000
Tourist Information Proceeds	360	500	(140)	3,000
Artist Proceeds	645	1,000	(355)	4,350
Senior Citizen Fund	-	-	-	500
Miscellaneous	8,990	8,250	740	1,000
	844,444	809,300	35,144	32,850
Total Revenues	\$ 2,247,098	\$ 2,185,954	\$ 61,144	\$ 1,357,225

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

EXPENDITURES	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
Current:				
General Government				
Salaries and Benefits				
Salaries - Council	\$ 47,794	\$ 48,000	\$ 206	\$ 48,000
Salaries - Regular	328,741	350,000	21,259	355,000
Retirement	84,040	81,000	(3,040)	88,250
Payroll taxes	43,216	42,000	(1,216)	45,000
Health and life insurance	59,609	71,250	11,641	58,800
Unemployment insurance	1,055	1,700	645	1,250
Workman's compensation insurance	12,455	12,550	95	12,550
	<u>576,910</u>	<u>606,500</u>	<u>29,590</u>	<u>608,850</u>
General and Administrative Costs				
Accounting and auditing	54,900	58,000	3,100	58,000
Auto and truck	14,454	10,000	(4,454)	10,500
Bank charges	3,970	3,700	(270)	2,500
Contract labor	17,005	20,000	2,995	6,000
Consultants	24,000	24,000	-	24,000
Court costs	254	500	246	750
Dues and subscriptions	405	750	345	750
Election expenditures	-	-	-	-
Emergency response costs - hurricanes	565,379	528,395	(36,984)	-
Emergency response costs - COVID 19	-	-	-	1,000
Emergency response costs - Bridge Disaster Costs	-	-	-	-
Insurance	151,617	204,750	53,133	159,000
Janitorial	5,926	6,000	74	1,250
Legal - attorney/magistrate	20,660	25,000	4,340	35,000
Miscellaneous	3,389	6,000	2,611	5,500
Office supplies	13,231	13,000	(231)	13,000
Official journal	5,496	5,000	(496)	5,000
Rentals	1,352	1,650	298	1,650
Repairs and maintenance	126,382	125,000	(1,382)	120,000
Scholarship program	(500)	5,500	6,000	5,500
Travel - conventions	1,316	5,000	3,684	5,000
Travel - other	7,048	3,000	(4,048)	3,000
Utilities	176,606	160,000	(16,606)	160,000
	<u>1,192,890</u>	<u>1,205,245</u>	<u>12,355</u>	<u>617,400</u>
Total General Government	<u>1,769,800</u>	<u>1,811,745</u>	<u>41,945</u>	<u>1,226,250</u>

(Continued)

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
 GENERAL FUND
 For the Year Ended June 30, 2022

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
Public Safety				
Salaries - officers	128,081	135,000	6,919	130,000
Redflex collection fees	6,353	5,500	(853)	22,000
Supplies - police	20,029	19,000	(1,029)	15,000
Victims assistance grant costs	44,921	42,000	(2,921)	42,000
Total Public Safety	<u>199,384</u>	<u>201,500</u>	<u>2,116</u>	<u>209,000</u>
Public Works				
Road maintenance - supplies	395	500	105	1,000
Total Public Works	<u>395</u>	<u>500</u>	<u>105</u>	<u>1,000</u>
Urban Planning and Housing				
CDBG housing assistance program	-	-	-	-
Total Urban Planning and Housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and Recreation				
Seafood festival costs	305	8,000	7,695	-
Senior Center expenditures	-	-	-	1,000
Special events - other	18,904	19,250	346	2,500
Tourism costs	47,546	27,500	(20,046)	15,000
Artist costs	645	1,000	355	4,250
Total Culture and Recreation	<u>67,400</u>	<u>55,750</u>	<u>(11,650)</u>	<u>22,750</u>
Intergovernmental:				
Lafitte Levee - share of vehicle	-	-	-	-
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay				
Land, buildings and improvements	11,000	11,000	-	20,000
Furniture, fixtures and equipment	21,921	6,069	(15,852)	-
Vehicles and heavy equipment	20,470	50,000	29,530	-
Total Capital Outlay	<u>53,391</u>	<u>67,069</u>	<u>13,678</u>	<u>20,000</u>
Total Expenditures	<u>\$ 2,090,370</u>	<u>\$ 2,136,564</u>	<u>\$ 46,194</u>	<u>\$ 1,479,000</u>

TOWN OF JEAN LAFITTE, LOUISIANA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - CAPITAL PROJECT FUND
For the Year Ended June 30, 2022**

	Capital Projects Fund
REVENUES	
Taxes	\$ -
Intergovernmental	
Federal	12,707
State	740,956
Parish/local	-
Interest	-
Other	-
Total Revenues	<u>753,663</u>
 EXPENDITURES	
Capital Outlay	
Land	-
Architect/Engineering	147,403
Construction	786,258
Equipment and Fixtures	-
Testing and Other	9,225
Total Expenditures	<u>942,886</u>
 Excess (Deficiency) of Revenues over Expenditures	 (189,223)
 OTHER FINANCING SOURCES (USES)	
Transfers in	176,514
Transfers out	-
Total Other Financing Sources (Uses)	<u>176,514</u>
 NET CHANGE IN FUND BALANCE	 (12,709)
 FUND BALANCE	
Beginning of year	(76,555)
 End of year	 <u>\$ (89,264)</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, 2022

<u>Councilperson</u>	<u>Amount</u>
Barry Bartholomew	\$ 9,600
Christy Creppel	9,600
Kyle Darda	4,594
Shirley Guillie	7,200
Larry Kerner	2,400
Calvin LeBeau	4,800
Verna Smith	9,600
TOTAL COUNCILPERSONS' COMPENSATION	<u>\$ 47,794</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, 2022

Agency Head Name/Title:	Timothy P. Kerner, Jr.		
	Mayor		
<u>Purpose</u>	<u>Amount</u>		
Salary	\$	80,000	(1)
Taxes - Federal (Social Security and Medicare)		6,039	(2)
Benefits - Retirement		23,600	(3)
Benefits - Insurance (Group Health)		8,897	(4)
Benefits - Other		-	
Vehicle Provided by Agency		780	(5)
Per Diem		-	
Reimbursements		-	
Travel (meal per diems)		-	
Travel (gas and parking)		1,929	
Registration Fees		-	
Conference and Business Travel		6,563	(6)
Continuing Professional Education Fees		-	
Housing		-	
Unvouchered Expenses		-	
Special Meals		485	(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 29.50% as contribution to the plan, while the employee is required to pay 10.00%. This amount represents the employer's cost of this contribution for FYE 2022.
- (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 2022, the amount included in the Mayor's taxable income is shown above.
- (6) Includes travel costs (airfare, hotel, parking, etc. - typically for the Louisiana Municipal Association's annual conference, travel to Baton Rouge and Washington DC, etc.). For 2022, this also included travel to lobby for aid in the aftermath of Hurricane Ida.
- (7) Includes meals related to Town business, including meals at conferences or while out lobbying.

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2022

State Source	Amount
State General Fund:	
Department of the Treasury - Tax/Fee Allocations	
Parish Transportation Funds	\$ 168,000
Beer Tax	3,195
Tobacco Tax	131
	171,326
Louisiana Office of Community Development	
Senior Citizens Utility Income Assistance	20,000
Miscellaneous State Aid	
Act 45 - Nature Trail	(2,124)
Act 120 - Police Car	49,639
Act 119 - Seafood Market/Tourism	41,662
	89,177
Total State Funding - General Fund	\$ 280,503
Other State Agencies:	
Coastal Protection and Restoration Authority	
National Resource Damage Assessment - Wetlands Center (BA-026)	740,956
Total State Funding	\$ 1,021,459

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.

TOWN OF JEAN LAFITTE, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
For the Year Ended June 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/2022
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	29,066	3,578
Criminal Court Costs/Fees	213	41
Civil Fines - Other	25,969	1,833
Subtotal Collections	<u>55,247</u>	<u>5,451</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Dept of Health - Traumatic Head and Spinal Cord Injury Trust Fund	125	30
Louisiana Commission on Law Enforcement	50	2
Louisiana Supreme Court	13	3
Treasurer, State of Louisiana - CMIS	25	6
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed to Collecting Agency:		
Criminal Fines - Other	29,066	3,578
Civil Fines - Other	19,215	1,420
Less: Disbursement to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	6,754	413
Subtotal Disbursements/Retainage	<u>55,247</u>	<u>5,451</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

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TOWN OF JEAN LAFITTE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

GRANTOR/SOURCE	FEDERAL CFDA NO.	GRANT NUMBER	GRANT PERIOD	
			FROM	TO
DIRECT GRANTS				
None				
PASS-THROUGH GRANTS				
Department of Homeland Security				
Passed Through Louisiana Governor's Office of Homeland Security (GOHSEP)				
Public Disaster Assistance - Katrina	97.036	DR-1603-LA		Project Completion
Public Disaster Assistance - Ike	97.036	DR-1792-LA		Project Completion
Public Disaster Assistance - Isaac	97.036	DR-4080-LA		Project Completion
Public Disaster Assistance - Barry	97.036	DR-4458-LA		Project Completion
Public Disaster Assistance - Zeta	97.036	DR-3549-LA		Project Completion
Public Disaster Assistance - Ida	97.036	DR-4611-LA		Project Completion
Total Department of Homeland Security				
Department of Justice				
Passed Through Louisiana Commission on Law Enforcement				
Victim's Assistance Program Grant- 2018	16.575	5073	1/1/2020	6/30/2021
Victim's Assistance Program Grant- 2019	16.575	5880	7/1/2021	6/30/2022
Officer Safety Improvements	16.738	2019-MU-BX-0056	7/1/2021	3/31/2022
Total Department of Justice				
Department of Housing and Urban Development				
Passed through Jefferson Parish Office of Community Development				
Community Development Block Grant - Disaster Recovery - Isaac Drainage Improvements	14,228	Unknown		Project Completion
Passed through the Louisiana Division of Administration				
Community Development Block Grant - National Disaster Resilience - La Wetland Education Ctr	14,272	NDR CDBG-DR-LA-SAFE		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				
Department of Treasury				
Passed Through Louisiana Governor's Office of Homeland Security (GOHSEP)				
American Rescue Plan Act (ARPA) - 2021 - Coronavirus State and Local Fiscal Recovery Funds	21,027	Unknown	3/3/2021	12/21/2024
Total Pass-Through Grants				
Grand Total - All Grants				

FOOTNOTES TO SCHEDULE:

No "Single Audit" was required for the year ended June 30, 2022 as the federal expenditures fell below the OMB thresholds. This Schedule is being presented as supplemental information due to the number of grants received during the year. This Schedule was prepared on the accrual basis of accounting and covers all activity from July 1, 2021 to June 30, 2022. 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, 2021, the Town had outstanding receivables of \$8,057 from FEMA/GOHSEP which were considered "unavailable" and recognized on the Balance Sheet as "deferred inflows". This receivable was adjusted in 2022 and ultimately disallowed. The "current revenues" shown on this schedule reflects the net of current year revenues and the changes in prior year receivables/deferred inflows. Receipts include "FEMA applied payments", which are basically book entries debiting and crediting different projects within different disasters to balance out payments and amounts due.
- (2) There were no current year expenditures on these FEMA projects. FEMA/GOHSEP is in the process of closing out several "small" projects on some of the older disasters. The Town is waiting on the results of the closeout process.
- (3) If there was a single audit purposes, these grants would be grouped into a "CDBG Disaster Recovery Grants Cluster"
- (4) The Town has not negotiated an indirect cost rate. Also, the Town elected not to use the 10% de minimus cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

PRIOR YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR RECEIPTS	CURRENT YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR REVENUES	FEDERAL EXPENDITURES		
				SPENT DIRECTLY BY TOWN	PAID TO SUBRECIPIENTS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ (57,125)	\$ -	\$ (57,125)	\$ -	\$ -	\$ -
-	(10)	-	(10)	-	-	-
8,057	-	(11,133)	(19,190)	-	-	-
-	57,135	-	57,135	-	-	-
-	-	-	-	-	-	-
8,057	-	(11,133)	(19,190)	-	-	-
19,004	24,637	-	5,633	5,633	-	5,633
-	31,113	9,460	40,573	40,573	-	40,573
-	3,178	-	3,178	3,178	-	3,178
19,004	58,928	9,460	49,384	49,384	-	49,384
138,397	8,657	129,740	-	-	-	-
138,397	8,657	129,740	-	-	-	-
48,282	60,989	-	12,707	12,707	-	12,707
186,679	69,646	129,740	12,707	12,707	-	12,707
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	369,852	(369,852)	-	-	-	-
-	369,852	(369,852)	-	-	-	-
\$ 213,740	\$ 498,426	\$ (241,785)	\$ 42,901	\$ 62,091	\$ -	\$ 62,091
\$ 213,740	\$ 498,426	\$ (241,785)	\$ 42,901	\$ 62,091	\$ -	\$ 62,091

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

General Fund	8,057
Capital Projects Fund	-
Current year revenue	<u>\$ 50,958</u>

Recognized in:

General Fund - as current year revenues	\$ 38,251
Capital Project Fund - as current year revenues	12,707
	<u>\$ 50,958</u>

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COMPLIANCE SECTION

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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, Jr., 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 27, 2023.

Report on 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") as a basis for designing 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 or significant deficiencies may exist that were not identified.



Report on 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 financial statements. 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.

Postlethwaite & Netterville

Metairie, Louisiana
March 27, 2023

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Town of Jean Lafitte as of and for the year June 30, 2022.
2. No significant deficiencies or material weaknesses in internal controls were reported relating to the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Town of Jean Lafitte were reported.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

TOWN OF JEAN LAFITTE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2022

I. PRIOR YEAR FINDINGS RELATED TO FINANCIAL STATEMENTS

None reported.

II. PRIOR YEAR FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None reported.

III. PRIOR YEAR FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL PROGRAMS

None reported.

(END OF REPORT)



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A Professional Accounting Corporation

Independent Accountant’s Report
On Applying Agreed-Upon Procedures

To Board of Directors of Town of Jean Lafitte and the Louisiana Legislative Auditor

To the Members of the
Town of Jean Lafitte and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Town of Jean Lafitte’s management is responsible for those C/C areas identified in the SAUPs.

Town of Jean Lafitte has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

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

No exceptions were found as a result of this 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this 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 (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this 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.

No exceptions were found as a result of this 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).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The entity maintains an ethics policy. The policy did not include (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

No exceptions were found as a result of this procedure.

- k) **Information Technology 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.

No exceptions were found as a result of this procedure.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Entity does not have written policies for Sexual Harassment.

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Based on a review of the minutes, there was no reference of budget-to-actual comparisons in accordance with the procedure above.

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

No exceptions were found as a result of this procedure.

C - Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 2 bank accounts. Management identified the entity's main operating account.

From the listing provided, we selected both bank accounts and obtained the bank reconciliations for April, 2022, and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions were found as a result of this procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

For 1 of the 2 accounts selected for testing, there were reconciling items that had been outstanding for more than 12 months without any evidence of research.

D - Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included one deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the deposit site and performed the procedures below.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection location for the deposit site selected in procedure #4 was provided and included one collection location. No exceptions were noted as a result of performing this procedure.

We selected the one collection location the deposit site. Review of the Town of Jean Lafitte's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

For the location selected for our procedures, the employees responsible for cash collections share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions were found as a result of this procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were found as a result of this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions were found as a result of this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were found as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for the bank accounts selected in procedure #3. We obtained supporting documentation for each of the 4 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. There were two locations identified. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the two locations and performed the procedures below.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were found as a result of this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The employee responsible for processing payments is not prohibited from adding/modifying vendor files and the vendor files are not reviewed by another employee.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were found as a result of this procedure.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For 5 of 5 disbursements selected for testing, the payment processor is not prohibited from adding/modifying vendor files and there is not another employee responsible for periodically reviewing changes to the vendor files.

No other exceptions were noted as a result of this procedure.

F - Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we selected 4 cards (4 credit cards and no fuel cards) used in the fiscal period. We randomly selected one monthly statement for each of the 4 cards selected and performed the procedures noted below.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions were noted as a result of performing this procedure.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were noted as a result of performing this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Of the 11 transactions selected, 4 transactions did not have itemized receipts.

None of the 11 transactions tested contained written documentation of the business/public purpose.

G - Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Of the 5 reimbursements selected for our procedures, none were reimbursed using a per diem.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions were noted as a result of performing this procedure.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions were noted as a result of performing this procedure.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For 5 of the 5 reimbursements selected for our procedures, there was no documentation that the reimbursement was reviewed and approved by someone other than the person receiving the reimbursement. Note that all check disbursements require dual signatures from the Mayor and the Town Clerk.

H - Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

A listing of contracts was provided, which included three change orders for an existing construction contract.

From the listing provided, we randomly selected 3 (all) contracts and performed the procedures below.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were noted as a result of performing this procedure.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions were noted as a result of performing this procedure.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions were noted as a result of performing this procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

I - Payroll and Personnel

16. 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, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

No exceptions were found as a result of this procedure.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were found as a result of this procedure.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were found as a result of this procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management’s termination payment calculations and the entity’s policy on termination payments. Agree the hours to the employee or officials’ cumulative leave records, agree the pay rates to the employee or officials’ authorized pay rates in the employee or officials’ personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

19. Obtain management’s representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

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

No exceptions were found as a result of this procedure.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

The Entity did not have any changes to the ethics policy, so this step is not applicable.

K - Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Not applicable. The Entity does not have any bonds/notes outstanding and none were issued during the fiscal year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable. The Entity does not have any bonds/notes outstanding and none were issued during the fiscal year.

L - Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Not applicable. The Entity did not have any misappropriations during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

M - Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

N - Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions were found as a result of this procedure.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

The notice was not posted on the Entity’s website or in a conspicuous location on the Entity’s premises.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

- b) Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

- e) Amount of time it took to resolve each complaint.

No exceptions noted.

Corrective Action

27. Obtain management’s response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See corrective action plan attached.



We were engaged by the Town of Jean Lafitte to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Town of Jean Lafitte and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, 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.

Postlethwaite & Netterville

Metairie, LA
March 27, 2023



TOWN OF JEAN LAFITTE OFFICE OF THE MAYOR



TIMOTHY P. KERNER, JR.
MAYOR



COUNCIL MEMBERS

YVETTE CRAIN
TOWN CLERK

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Lafitte, Louisiana 70067
Office: (504) 689-2208
Police: (504) 689-3132
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VERNA SMITH
MAYOR PROTEM

MARCELL RODRIGUEZ
CHIEF OF POLICE

BARRY BARTHOLOMEW
CHRISTY CREPPEL
LARRY KERNER
KYLE DARDA

March 30, 2023

Postlewaite & Netterville, CPAs and the
Louisiana Legislative Auditor

Dear Sirs,

We appreciate the opportunity to provide an explanation for the exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period July 1, 2021 to June 30, 2022. 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 exceptions noted during the AUPs, we offer the following:

AUP 1(i) – The entity maintains an ethics policy. The policy did not include (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

RESPONSE: The Town's ethics policy will be amended in 2023 to include language that "employees and officials will be notified of any changes to the ethics policy".

AUP 1(l) - The entity does not have written policies for Sexual Harassment.

RESPONSE: The Town had drafted a Sexual Harassment Policy; however, it has not yet been adopted by the Town Council. We anticipate that the Sexual Harassment Policy will be adopted by the Town Council before the end of the current fiscal year. Despite not having a policy formally adopted, the Town was requiring all employees to complete the required online training for sexual harassment and maintaining evidence of this within its files.

AUP 2(b) – Based on a review of the minutes, there was no reference of budget-to-actual comparisons in accordance with the procedure above.

RESPONSE: The Town Clerk and the external CPA enter the annual budget into QuickBooks and generate a budget-to-actual report of the Town's revenues and expenditures each quarter. This report is presented to the Town Council in their packets; however, the Town Clerk failed to note this in the

minutes. The Town Clerk will attempt to generate this report on a more consistent basis (perhaps monthly) and provide it to the Town Council at each meeting from this point forward.

AUP 3(c) – For 1 of 2 accounts selected for testing, there were reconciling items that had been outstanding for more than 12 months without any evidence of research.

RESPONSE: We disagree with this exception. The external CPA reconciles all of the bank accounts on a monthly basis. At the end of the reconciliation process, he notifies the Town Clerk of any item outstanding for more than 6 months. They review the item to determine if the stale dated check needs to be reissued or voided. If it needs to be voided, it is entered into QuickBooks as a “void” and it will appear on the next month as so. If it needs to be reissued, the check is voided and reissued in the subsequent month. If the Town Clerk requests that the check remain as is for further research, it stays on the listing pending her research. While there may not be “evidence of research” on the actual bank reconciliation, there is definitely work being done on the outstanding items behind the scenes.

AUP 5(a) – For the location selected for our procedures, the employees responsible for cash collections share cash drawers/registers.

RESPONSE: The only place that the Town officially receives cash and check payments is at the Town Hall. The majority of the receipted payments are for permits (plumbing, electrical, etc.) and/or rentals (auditorium, seafood market, etc.). The Town has very few staff available and is not set up for “multiple cash drawers or registers”. There is simply one cash drawer opened each day to receive payments into. The Town’s two clerks primarily work out of the cash drawer and occasionally, as a backup, the Town Clerk might accept a payment or two. The town will review the options annually.

AUP 9 (c) – The employee responsible for processing payments is not prohibited from adding/modifying vendor files and the vendor files are not reviewed by another employee.

RESPONSE: This is a function of the Town having a very limited number of staff available to perform these duties. The Town Clerk is involved in both the purchasing and payables functions, which gives her access to the vendor files. The use of QuickBooks also makes this problematic since the software does not contain any security which bars any user from adding/modifying vendor files. The entire system is open to all users. The only mitigating controls in place are the fact that the Mayor and the Town Clerk review and sign every check and are very familiar with every transaction and vendor that deal with the Town. If a bogus vendor were set up in the system by an employee, chances are that the Mayor and/or Town Clerk would catch it during their review of the check before they sign it and question the transaction.

AUP 10(b) – For 5 of 5 disbursements selected for testing, the payment processor is not prohibited from adding/modifying vendor files and the vendor files are not reviewed by another employee.

RESPONSE: This is merely a function of being a small entity with a very limited staff. Also, the software that we use (QuickBooks) does not provide any safeguards or security within the software itself that would provide any type of security for this.

AUP 13 – Of the 11 transactions selected, 4 transactions did not have itemized receipts.

RESPONSE: The receipts in question all relate to one employee and were mostly for gas and/or supplies. We will notify this employee of the deficiencies noted and instruct him to try and make sure all receipts are turned in next year.

AUP 13 – None of the 11 transactions tested contained written documentation of the business/public purpose.

RESPONSE: We disagree with this exception. Some of the credit card transactions were supported by purchase orders which clearly state the business/public purpose on them. Also, when the credit card statement is received and reviewed by the Town Clerk prior to payment, she communicates verbally with those employees who made the purchases to determine the business/public purpose of each transaction so that she knows how to code the transaction. Thus, the business/public purpose is “codified” in her coding of the transaction, even when it is not written on the receipt or the statement itself.

AUP 14(d) – For 5 of the 5 reimbursements selected for our procedures, there was no documentation that the reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.

RESPONSE: We disagree with this exception. First of all, the payment for the Town Clerk to attend a virtual conference was not a “reimbursement” to her. The check was paid to the company that put on the conference. The application for the virtual conference was filled out by the Town Clerk (who took the course) and it was initialed by the Mayor. Second of all, some of the travel costs incurred by the Mayor were not a “reimbursement” to him, but were credit card charges on the Town’s credit card related to costs associated with his carrying out Town business. The Mayor’s flight to Washington was made by him. The confirmation and cost was forwarded to Jeff Adam and he presented a copy to the town clerk. As per the Mayor Jeff Adam made the reservation for the Clean City Judges at the Best Western and presented a copy to the town clerk. Also, it should be pointed out that the Mayor and Town Clerk review every invoice when the checks are presented to them for signature. Thus, every travel reimbursement would be reviewed and approved by someone other than the person receiving the reimbursement. Thus, the reimbursement for expenses by one of the Councilpersons was reviewed and approved by the Town Clerk.

AUP 27 – The notice (for Sexual Harassment) was not posted on the Entity’s website or in a conspicuous location on the Entity’s premises.

RESPONSE: The Town will provide a link to its Sexual Harassment policy once the Town Council formally adopts it. This is expected to occur prior to the end of the 6/30/23 fiscal year. The poster was not posted since the Town Hall was destroyed in Hurricane Ida and the staff is working out of a temporary Town Hall in the Town’s museum.

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

Sincerely,

A handwritten signature in black ink, appearing to read "T. Kerner, Jr." with a stylized flourish.

Mayor Timothy P. Kerner, Jr.
Town of Jean Lafitte