

TOWN OF JEAN LAFITTE

FINANCIAL REPORT

**For the Year Ended
June 30, 2021**

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FINANCIAL SECTION

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, the financial statements referred to on previous page 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Town's Proportionate Share of the Net Pension Liability (MERS), Schedule of the Town's Pension Contributions (MERS), Schedule of the Town's Proportionate Share of the Net Pension Liability (MPERS), Schedule of the Town's Pension Contributions (MPERS), Notes to Required Supplementary Information, and Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The General Fund Schedule of Revenues - Budget to Actual; General Fund Schedule of 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 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.

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 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare



the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 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 31, 2022, 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 31, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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TOWN OF JEAN LAFITTE, LOUISIANA

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2021

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, 2021. 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, 2021.
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$32,902,904. Of this amount, \$32,732,271 or 99.5% is invested in capital assets, such as land, buildings, equipment, vehicles and infrastructure. The remaining balance of \$170,633 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 \$(520,734) during 2021. The majority of this decrease has to do with expenses exceeding revenues.
- 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 \$588,472. 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 \$169,187 and deferred inflows were \$6,620.
- At June 30, 2021, the Town’s governmental funds reported an ending fund balance of \$588,481, a decrease of \$(427,748) from the prior year. This includes \$665,036 in the General Fund and a deficit of \$(76,555) 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 \$559,576 or 95.1% of the total fund balance and 22.2% of current year expenditures in the General Fund.
- In early March 2020, the COVID-19 virus was declared a global pandemic, and unfortunately it continues to spread rapidly throughout the United States in 2021, including the local area. As noted in the analysis, several revenues and expenditures were impacted during 2021 by the pandemic due to 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.
- Subsequent to year end, Hurricane Ida devastated the region in August 2021. While only a few lives were lost, the property damage to residences and businesses throughout the area was extensive. 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. No adjustments for impairments have been made or disclosed as this data is still being gathered. Claims have been filed with both the Town’s insurance carriers and FEMA.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2021

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, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position				
Governmental Activities				
June 30,				
	2021		2020	
Current and other assets	\$ 1,102,100		\$ 1,220,752	
Capital assets	32,732,271		32,826,711	
Total assets	<u>33,834,371</u>		<u>34,047,463</u>	
Deferred outflows - pension-related	<u>169,187</u>		<u>139,628</u>	
Current liabilities	505,562		185,098	
Non-current liabilities - pension-related	588,472		541,747	
Total liabilities	<u>1,094,034</u>		<u>726,845</u>	
Deferred inflows - pension-related	<u>6,620</u>		<u>36,608</u>	
Net Position				
Net investment in capital assets	32,732,271	99.5%	32,826,711	98.2%
Restricted for Capital Projects	-	0.0%	-	0.0%
Unrestricted				
Designated	-	0.0%	-	0.0%
Undesignated	170,633	0.5%	596,927	1.8%
Total net position	<u>\$ 32,902,904</u>	<u>100.0%</u>	<u>\$ 33,423,638</u>	<u>100.0%</u>

The “net investment in capital assets” totals \$32,732,271 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 \$170,633 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.

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, 2021

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

	<u>2021</u>	<u>2020</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 926,462	\$ 345,213
Operating Grants and Contributions	331,800	408,012
Capital Grants and Contributions	854,370	1,509,680
General Revenues:		
Taxes	372,076	356,176
Gaming	340,581	276,168
Unrestricted Interest Earnings	600	16,686
Insurance Proceeds	129,622	-
Miscellaneous Revenues	13,199	16,439
Total Revenues	<u>2,968,710</u>	<u>2,928,374</u>
Expenses		
General Government	1,675,909	1,351,189
Public Safety	225,484	230,277
Public Works	326,393	260,255
Urban Development and Housing	-	85,919
Culture and Recreation	1,261,658	534,858
Intergovernmental	-	35,000
Total Expenses	<u>3,489,444</u>	<u>2,497,498</u>
Change in Net Position	(520,734)	430,876
Net Position - Beginning	33,423,638	32,992,762
Net Position - Ending	<u>\$ 32,902,904</u>	<u>\$ 33,423,638</u>

Charges for services include licenses and permits, facility rentals, fines and forfeitures, and special event charges. For 2021, this category was up \$581,249 due to 1) an increase in facility rentals of \$9,541 due to facilities reopening after the COVID-19 closures and restrictions, 2) a drop of \$(4,255) in royalties (as a prior year oil lease royalty stopped producing this year), 3) a decrease of \$(37,038) in fines and forfeitures (due to a drop in fines during the slow-downs caused by the pandemic), and 4) an increase of \$610,768 in special event revenues (as the Town was able to hold a Seafood Festival in June 2021).

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 other sources. This category decreased \$(76,212) compared to the prior year due to 1) an increase of \$57,279 in the General Government Function made up of a \$64,613 increase from a LADOTD reimbursement for bridge disaster costs, offset by a drop of \$(8,584) in Parish Transportation Act Funding, 2) a drop of \$(46,145) in funding in the Public Safety Function made up of a decrease of \$(1,324) in Victim's Assistance Grant revenues and a decrease of \$(44,821) in CARES Act Funding, 3) a decrease of \$(82,346) in the JP/CDBG – Home Investment Program (as this program wrapped up), and 4) a decrease of \$5,000 in funding in the Culture and Recreation Function due a drop in funding from the Parish for tourism costs.

Capital Grants include various grants from federal, state and parish/local sources to help fund major construction activity in the Town. This includes CDBG Disaster Recovery Grants, 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 \$(655,310) from the prior year due to the following: 1) FEMA disaster

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2021

funds (down \$(11,368)), 2) FEMA Retrofit grant to “harden” the Town Hall (down \$(4,316) – grant finished last year), 3) State Grant for a nature trail (up \$20,000), 4) a Parish grant for security cameras (down \$(10,000)), 5) a grant from the Lafitte Area Independent Levee District for the sidewalk capital project (up \$100,000), 6) CDBG Disaster Recovery Grants related to the construction of streets/drainage (down \$(753,013)), 7) DOTD grants for sidewalks (down \$(164,685)), 8) CDBG Resilience Grants for the design and construction of a Wetlands Education Center (down \$(318,886)), 9) CPRA National Resource Damage Assessment grants for the Wetlands Education Center (up \$322,597), and 10) funding from Jefferson Parish/CDBG for the auditorium project (up \$164,981).

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 \$15,900, due to changes in sales taxes (up \$14,878) and franchise fee revenues (up \$1,022).

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 \$64,413, mostly due to an increase in fees from the Boomtown Belle Casino boarding fee (caused by the re-opening of the casino after the closures caused by the pandemic).

Unrestricted interest was down \$(16,086) as less funds were on hand during the year earning interest for the Town.

Insurance Proceeds and **Miscellaneous Revenues** were up (down) \$129,622 and \$(8,726), respectively. Insurance proceeds were up due to the proceeds coming in from Hurricane Zeta.

Gain (Loss) on Sale of Equipment was up \$5,486 as some old equipment was sold at auction in 2021.

Expenses totaled \$3,489,444 for 2021, an increase of \$991,946. The **General Government Function** was up \$324,720 due to a decrease in pension expense (down \$(32,789)) and a drop in depreciation expense (down \$(98)), offset by an increase in operating expenditures of \$369,489 (primarily in salaries and benefits (up \$26,421), Emergency response costs (up \$225,909), and repairs and maintenance (up \$83,490)). **Public Safety** costs went down \$(4,793), mostly due to a drop in Redflex collection fees (down \$(14,830)). **Public Works** were up \$66,138, due to an increase of \$73,867 in depreciation expense, offset by a drop of \$(7,729) in road supplies. **Urban Development and Housing Function** was down \$(85,919) due mainly to the completion of the JP/CDBG Home Investment Program, which was paying for the elevation or repair of a number of homes in the area that were damaged by previous hurricanes. This project wrapped up early in the year, thus, the costs were down from last year. **Culture and Recreation** increased \$726,800 due to an increase in Seafood Festival costs (up \$678,689), an increase of \$103,598 in depreciation expense, offset by a drop of \$(46,983) in other special events (as the pandemic continued to keep the auditorium and seafood market closed for part of the year). **Intergovernmental** was down \$(35,000) due to a transfer made to the Lafitte Area Independent Levee District to pay for a portion of a truck made in the prior year that did not recur.

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, 2021, the Town’s governmental funds reported combined ending fund balances of \$588,481, a decrease of \$(427,748) from the prior year. \$105,460 or 17.9% is classified as *non-spendable fund balance*, and the balance of \$483,021 or 82.1% is classified as *unassigned fund balance*, which is available for spending at the Town’s

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2021

discretion. This amount is a net of the General Fund's *unassigned fund balance* of \$559,576 and the Capital Projects fund's *unassigned fund balance* of \$(76,555) 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, 2021, governmental revenues totaled \$2,965,359. Of this amount, \$2,136,722 was recorded in the General Fund and \$828,637 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 \$665,036. Unassigned fund balance of the General Fund totaled \$559,576, which is 95.1% 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 2021, the unassigned fund balance equaled 22.2% of the current year expenditures of the fund (down from 62.9% last year).

The General Fund's revenues totaled \$2,136,722 for 2021.

- Taxes totaled \$372,076, including sales taxes of \$282,453 and franchise taxes of \$89,623. In total, this was an increase of \$15,900 or 4.5% over last year (mostly in sales taxes).
- Intergovernmental revenues totaled \$358,568, including \$75,610 from federal grants, \$265,857 from state grants and allocations, and \$17,101 from parish/local grants. In total, this was a decrease of \$(67,845) or 15.9% from last year. As noted previously, the majority of this decrease had to do with the federal grants, particularly drops in CDBG Housing Assistance grants and CARES Act Funding, offset by increases in State Grants for the Bridge Disaster (LADODT) and a grant for a Nature Trail. Parish grants for tourism were also down \$(5,000) and a grant for security cameras was down \$(10,000), as it did not recur.
- Licensees and permits totaled \$59,364, which was a decrease of \$(2,475) or 4.0% from last year, mostly in occupational licenses and building permits.
- Service charges, rentals and fees totaled \$106,841. In total, this was an increase of \$5,286 or 5.2% over last year (mostly due to facility rentals increasing as state-mandated closures and restrictions came to an end and the Town was able to rent facilities again). This increase was offset by a drop in royalties of \$(4,255), which did not recur.
- Fines and forfeitures totaled \$120,844, which was a decrease of \$(37,038) or 23.5% from last year (mostly in Redflex tickets due to the slowdown in activity from the pandemic).
- Gaming fees and commissions totaled \$340,581, including \$340,581 from the Boomtown Casino boarding fees and \$-0- from video poker allocations. In total, this was an increase of \$64,413 or 23.3% over last year. Boomtown increased \$65,291 due to an increase in fees from the Boomtown Belle Casino boarding fee (caused by the casino reopening after a brief closure from the pandemic early in 2020). Video Poker was down as there were no longer any video poker machines in the city.
- Interest income was down \$(16,086) or 96.4% as available investible cash balances decreased significantly.
- Other income totaled \$777,848, which is up \$736,471 or 1,779.9%, mainly from 1) an increase in insurance proceeds of \$129,622 (proceeds from Hurricane Zeta), 2) an increase in Special Events of \$610,768 (mainly due to the June 2021 Seafood Festival), and 3) a drop of \$(7,727) in miscellaneous income.

Expenditures of the General Fund totaled \$2,525,293, which was \$846,098 or 50.4% more than last year. The largest changes were seen in General Government Function which saw increases in salaries and benefits (up \$26,421) and increases in general and administrative costs (up \$343,068). Salaries and benefits were up due to increases in salaries (overtime from storms) and retirement (increases in contribution rates). General and Administrative Costs were up due to various increases and decreases in several line-items – emergency response – hurricanes, emergency response – bridge disaster, repairs and maintenance, insurance, utilities, and miscellaneous expenditures. The Public Safety function went down \$(14,197) mostly due to decreases in Redflex collection fees. The Public Works Function was down \$(7,729) due a decrease in road maintenance costs. The Urban Planning and Housing Function was down \$(85,919) as the CDBG Housing Assistance project came to completion last year. The Culture and Recreation Function was up \$623,203 due to increases in special events (as the Town held a huge 3-day

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2021

Seafood Festival in late June 2021). Intergovernmental costs were down \$(35,000) as the prior year transfer to the Lafitte Area Independent Levee District did not recur. Finally, capital outlay went down \$(3,749) as the Town made no capital outlay purchases in 2021.

The **Capital Projects Fund** incurred \$873,300 on various construction projects, including the Lafitte Auditorium Project, the CDBG-Hurricane Isaac drainage project for improvements, the Lafitte Sidewalk Beautification project, and the CDBG/CPRA-Wetlands Education Center project. This included \$136,639 in architect fees, \$717,726 in construction costs, and \$18,935 in other expenditures. \$828,637 was recognized as revenue from various federal and state grants. The General Fund also transferred \$106,194 to this fund to help cover costs on two projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were increased \$794,627 to reflect 1) an increase of \$27,300 in taxes, 2) an increase of \$123,727 in intergovernmental revenues (primarily for an increase in LADODT grants of \$64,613, an increase of \$32,400 in Parish Transportation Funds from the State, an increase of \$20,000 in State Grants for a Nature Trail, an increase of \$18,800 for CARES Act funding, and a decrease of \$(612,250) in FEMA Grants), 3) an increase of \$22,445 in service charges, rentals and fees (primarily in facility rentals after reopening from the COVID-19 closures), 4) an increase of \$13,900 in fines and forfeitures (due to an increase in fines after reopening the area after the COVID-19 stay at home period), 5) an increase of \$91,750 in gaming fees and commissions (due to the reopening of the local casino after the COVID-19 stay at home order), 6) a decrease of \$(10,900) in interest income (due to lower cash balances and rates), and 7) an increase of \$532,055 in other income (mainly due to an increase in special events of \$463,000 to account for the June 2021 Seafood Festival, plus \$57,055 in insurance proceeds from prior hurricanes).

Budgeted expenditures of the General Fund were increased \$658,144 in total. General Government costs increased \$320,969 mostly due to 1) a decrease of \$218,000 in repairs and maintenance (related to roof and A/C repairs), 2) an increase of \$50,704 in Emergency Response Costs – Bridge Disaster (to account for costs associated with the Leo Kerner bridge being knocked out by a barge and the Town having to ferry residents across Bayou Barataria), 3) an increase of \$25,000 in legal fees (to account for fees related to disputes with contractors), 4) an increase of \$14,500 in miscellaneous expense (to account for some training costs for the permit inspector), 5) an increase of \$8,500 in insurance (higher premiums), 6) an \$8,000 increase in accounting (due to a switch in auditing firms), and 7) a decrease of \$(7,250) in auto and truck expense (due to less travel by the Mayor during COVID-19 stay at home orders). Public Safety decreased \$(11,575) mostly due to 1) a decrease of \$(16,250) in salaries (less overtime during COVID-19 closure), 2) a drop of \$(5,325) in Redflex collection fees (less tickets issued during COVID-19 closure period), 3) an increase of \$7,000 in police supplies, and 4) an increase of \$4,000 in Victims Assistance Grant costs. Culture and Recreation increased \$349,250 primarily to account for anticipated costs associated with the June 2021 Seafood Festival (up \$375,000) and to account for a drop in Other Special Events (down \$21,000) due to dances and pirogue races being cancelled by the COVID-19 pandemic.

The Town’s General Fund actual revenues were over the budget by \$253,090 or 13.4%. This is principally due to 1) the Town collecting more than expected on the Seafood Festival (this line was \$154,345 over budget), 2) insurance proceeds coming in over budget (\$72,567 more than anticipated), and 3) Boomtown boarding fees coming in higher than expected (\$30,581 over budget). The Town’s general fund actual expenditures were over budget by \$434,524 or 20.8%. The General Government Function was over budget by \$92,942, primarily in salaries, insurance, and emergency response costs. The Public Safety Function was \$24,542 over budget, due to higher than expected costs in salaries, Redflex commissions, police supplies, and Victims Assistance Grant costs. The Culture and Recreation Function was \$317,216 over budget due to Seafood Festival costs coming in much higher than expected.

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, 2021.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2021

	Capital Assets, Net	
	Governmental Activities	
	June 30,	
	2021	2020
Land	\$ 690,985	\$ 690,985
Land Improvements	204,784	224,521
Buildings	18,293,922	18,806,889
Building Improvements	1,065,607	1,141,977
Furniture, Fixtures, and Equipment	226,973	258,338
Vehicles and Heavy Equipment	45,564	55,648
Infrastructure (Roads and Drainage)	7,564,337	7,786,554
Construction in Progress	4,640,099	3,861,799
Net Investment in Capital Assets	<u>\$ 32,732,271</u>	<u>\$ 32,826,711</u>

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, drainage, sidewalks, and the Wetlands Education Center. Depreciation expense for the year ended June 30, 2021 was \$967,740, as compared to \$791,189 for the year ended June 30, 2020.

Long-term Debt. The Town had no long-term debt at year end.

Net Pension Liability. On the Statement of Net Position, the Town is also showing a non-current liability – pension-related totaling \$588,472. This represents the Town’s proportionate share of the Net Pension Liabilities of the Municipal Employees’ Retirement System (\$588,472) and the Municipal Police Employees’ Retirement System (\$0-). Under GASB Statement No. 68, the Town recognizes its share of the pension liabilities on its government-wide financial statements. This liability saw an increase in the current year (up \$46,725) 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 is currently 12.4 percent, which is 7.6 percent more 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 the pandemic appears to be easing in the area, it is anticipated that the rate will begin to drop to more normal levels.
- 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 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.
- Subsequent to year end, Hurricane Ida devastated the region in August 2021. While only a few lives were lost, the property damage to residences and businesses throughout the area was extensive. 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.

FURTHER INFORMATION

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

BASIC FINANCIAL STATEMENTS

TOWN OF JEAN LAFITTE, LOUISIANA

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 237,269
Investments	126,688
Receivables	632,683
Prepaid items	105,460
Total current assets	<u>1,102,100</u>
Capital Assets, not being depreciated	5,331,084
Capital Assets, net of depreciation	<u>27,401,187</u>
Total capital assets	<u>32,732,271</u>
 Total Assets	 <u>33,834,371</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension-related	<u>169,187</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable	471,572
Salaries and benefits payable	33,990
Unearned revenues	-
Total Current Liabilities	<u>505,562</u>
Non-Current Liabilities:	
Net pension liability	<u>588,472</u>
Total Liabilities	<u>1,094,034</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension-related	<u>6,620</u>
 NET POSITION	
Net investment in capital assets	27,401,187
Restricted for capital projects	-
Unrestricted	<u>5,501,717</u>
Total Net Position	<u>\$ 32,902,904</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, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
General Government	\$ 1,675,909	\$ 166,205	\$ 256,190	\$ 8,632	\$ (1,244,882)
Public Safety	225,484	120,844	72,037	-	(32,603)
Public Works	326,393	-	-	269,355	(57,038)
Urban Development and Housing	-	-	3,573	-	3,573
Culture and Recreation	1,261,658	639,413	-	576,383	(45,862)
Intergovernmental	-	-	-	-	-
Total Governmental Activities	<u>\$ 3,489,444</u>	<u>\$ 926,462</u>	<u>\$ 331,800</u>	<u>\$ 854,370</u>	<u>(1,376,812)</u>
General Revenues:					
Taxes					
Sales taxes					
Franchise taxes					
Gaming					
Boomtown fees					
Video poker					
Unrestricted interest					
Insurance proceeds					
Miscellaneous revenues					
Gain (loss) on sale of equipment					
Total General Revenues					<u>856,078</u>
Change in net position					(520,734)
Net Position - Beginning of year					33,423,638
Net Position - end of year					<u>\$ 32,902,904</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, 2021

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 237,269	\$ -	\$ 237,269
Investments	126,688	-	126,688
Receivables	332,332	300,351	632,683
Due from other funds	76,415	-	76,415
Prepaid items	105,460	-	105,460
Total Assets	<u>\$ 878,164</u>	<u>\$ 300,351</u>	<u>\$ 1,178,515</u>
LIABILITIES			
Accounts payable	\$ 171,081	\$ 300,491	\$ 471,572
Salaries and benefits payable	33,990	-	33,990
Due to other funds	-	76,415	76,415
Unearned grant revenues	-	-	-
Total liabilities	<u>205,071</u>	<u>376,906</u>	<u>581,977</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable grant revenue	<u>8,057</u>	<u>-</u>	<u>8,057</u>
FUND BALANCES			
Non-spendable	105,460	-	105,460
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	559,576	(76,555)	483,021
Total fund balances	<u>665,036</u>	<u>(76,555)</u>	<u>588,481</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 878,164</u>	<u>\$ 300,351</u>	<u>\$ 1,178,515</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, 2021**

Total fund balances at June 30, 2021 - Governmental Funds	\$	588,481
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.		8,057
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets		49,986,800
Less accumulated depreciation		(17,254,529)
Deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred and expensed as consumed.		
Deferred outflows - pension-related		169,187
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		(588,472)
Deferred inflows related to the pension plans are not yet available and, therefore, are deferred and recognized as revenue in future periods.		
Deferred outflows - pension-related		(6,620)
Net position of governmental activities at June 30, 2021	\$	<u>32,902,904</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, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 372,076	\$ -	\$ 372,076
Intergovernmental			
Federal	75,610	406,040	481,650
State	265,857	422,597	688,454
Parish/local	17,101	-	17,101
Licenses and permits	59,364	-	59,364
Service charges, rentals and fees	106,841	-	106,841
Fines and forfeitures	120,844	-	120,844
Gaming fees and commissions	340,581	-	340,581
Interest	600	-	600
Other	777,848	-	777,848
Total Revenues	<u>2,136,722</u>	<u>828,637</u>	<u>2,965,359</u>
EXPENDITURES			
Current:			
General government	1,571,711	-	1,571,711
Public safety	238,792	-	238,792
Public works	324	-	324
Urban development and housing	-	-	-
Culture and recreation	714,466	-	714,466
Intergovernmental	-	-	-
Capital Outlay	-	873,300	873,300
Total Expenditures	<u>2,525,293</u>	<u>873,300</u>	<u>3,398,593</u>
Excess of Revenues over Expenditures	(388,571)	(44,663)	(433,234)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	106,194	106,194
Transfers out	(106,194)	-	(106,194)
Proceeds from the sale of equipment	5,486	-	5,486
Total Other Financing Sources (Uses)	<u>(100,708)</u>	<u>106,194</u>	<u>5,486</u>
NET CHANGE IN FUND BALANCES	(489,279)	61,531	(427,748)
FUND BALANCES			
Beginning of year	1,154,315	(138,086)	1,016,229
End of year	<u>\$ 665,036</u>	<u>\$ (76,555)</u>	<u>\$ 588,481</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, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$	(427,748)
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.		(11,368)
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	\$	873,300
Depreciation Expense		<u>(967,740)</u>
		(94,440)
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		(80,990)
Current year amortization of certain deferred inflows and outflows		504
Recognition of On-Behalf Payments made to pension plan by non-employer entities		9,233
Deferral of current year pension contributions made by employer		84,075
Changes in Net Position of Governmental Activities	<u>\$</u>	<u>(520,734)</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, 2021

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, 2021

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, 2021

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, 2021 would not be material to the financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. PREPAID ITEMS

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

6. CAPITAL ASSETS

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

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

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

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

7. COMPENSATED ABSENCES

Annual and sick leave is expended when claimed by the employees rather than when earned. Employees may not carry over or accumulate annual or sick leave. Employees are required to use their annual leave during the year following his/her anniversary date of employment. In the opinion of the Town's Administration, the liability due at June 30, 2021 would not be material to the financial statements.

8. 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. 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 position that applies to a future period and so it will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred Inflows of Resources* represent an acquisition of net position that is applicable to a future reporting period and so it will not be recognized as an inflow of resources (revenue) until then.

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

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

Deferred Outflows and Deferred Inflows – Pension Related. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Municipal Employees’ Retirement System and the Municipal Police Employees’ Retirement System, and additions to/deductions from the retirement systems’ fiduciary net position have been determined on the same basis as they are reported by the systems. The Town reports both deferred outflows 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.

10. 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.

Nonspendable – 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

11. ACCOUNTING ESTIMATES

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

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. 510. Revenues of the General Fund were increased \$794,627 to reflect 1) an increase of \$27,300 in taxes, 2) an increase of \$123,727 in intergovernmental revenues (primarily for an increase in LADODT grants of \$64,613, an increase of \$32,400 in Parish Transportation Funds from the State, an increase of \$20,000 in State Grants for a Nature Trail, an increase of \$18,800 for CARES Act funding, and a decrease of \$(12,250) in FEMA Grants), 3) an increase of \$22,445 in service charges, rentals and fees (primarily in facility rentals after reopening from the COVID-19 closures), 4) an increase of \$13,900 in fines and forfeitures (due to an increase in fines after reopening the area after the COVID-19 stay at home period), 5) an increase of \$91,750 in gaming fees and commissions (due to the reopening of the local casino after the COVID-19 stay at home order), 6) a decrease of \$(10,900) in interest income (due to lower cash balances and rates), and 7) an increase of \$532,055 in other income (mainly due to an increase in special events of \$463,000 to account for the June 2021 Seafood Festival, plus \$57,055 in insurance proceeds from prior hurricanes).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures increased \$658,144. The most significant of the changes made are described below.

Fund/Function	Original Budget	Amendments	Final Budget
General Government	\$ 1,157,800	\$ 320,969	\$ 1,478,769
Public Safety	225,825	(11,575)	214,250
Public Works	1,000	(500)	500
Culture and Recreation	48,000	349,250	397,250
	<u>\$ 1,432,625</u>	<u>\$ 658,144</u>	<u>\$ 2,090,769</u>

General Government costs increased \$320,969 mostly due to 1) a decrease of \$218,000 in repairs and maintenance (related to roof and A/C repairs), 2) an increase of \$50,704 in Emergency Response Costs – Bridge Disaster (to account for costs associated with the Leo Kerner bridge being knocked out by a barge and the Town having to ferry residents across Bayou Barataria), 3) an increase of \$25,000 in legal fees (to account for fees related to disputes with contractors), 4) an increase of \$14,500 in miscellaneous expense (to account for some training costs for the permit inspector), 5) an increase of \$8,500 in insurance (higher premiums), 6) an \$8,000 increase in accounting (due to a switch in auditing firms), and 7) a decrease of \$(7,250) in auto and truck expense (due to less travel by the Mayor during COVID-19 stay at home orders).

Public Safety decreased \$(11,575) mostly due to 1) a decrease of \$(16,250) in salaries (less overtime during COVID-19 closure), 2) a drop of \$(5,325) in Redflex collection fees (less tickets issued during COVID-19 closure period), 3) an increase of \$7,000 in police supplies, and 4) an increase of \$3,000 in Victims Assistance Grant costs.

Culture and Recreation increased \$349,250 primarily to account for anticipated costs associated with the June 2021 Seafood Festival (up \$375,000) and to account for a drop in Other Special Events (down \$21,000) due to dances and pirogue races being cancelled by the COVID-19 pandemic.

C) Expenditures in Excess of Budget

The General Fund's actual expenditures were more than the final budget by \$434,524 or 20.8%. The following functions had expenditures in excess of budget.

Function	Actual Costs	Budget	Excess
General Government	\$ 1,571,711	\$ 1,478,769	\$ 92,942
Public Safety	238,792	214,250	24,542
Culture and Recreation	714,466	397,250	317,216

The General Government Function was over budget in salaries and benefits by \$12,310 due to higher costs than expected, and in general and administrative costs by \$82,094, mostly in Emergency Response Costs – Hurricanes, insurance, and legal fees. These overages were offset by a positive variance in repairs and maintenance. Emergency costs were over budget due to roofing repairs and other costs that were not anticipated and were initially coded to repairs and maintenance. Insurance premiums came in higher than expected, as did legal fees. Repairs and maintenance were under budget as roofing and repair costs were reclassified to the Emergency Costs line-item.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The Public Safety Function saw various over budget lines, the largest had to do with the commissions on the Redflex traffic fines system (as more commissions were paid than expected). The reopening of the Town after the COVID-19 closure resulted in more costs than anticipated. The Culture and Recreation Function was over budget primarily in the Seafood Festival line-item. The costs associated with the festival were much higher than anticipated as the scale and scope of the festival grew and attendance was higher than expected. All of these overages were covered with available fund balance in the General Fund.

D) Deficit Fund Balances

The Town's Capital Projects Fund ended the year with a deficit fund balance of \$(76,555). 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 caused by the COVID-19 pandemic.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A) Cash

At June 30, 2021, the carrying amount of the Town's cash deposits was \$237,269 and the bank balance was \$551,323, 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, 2021 consist of \$126,688 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, 2021

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021 consist of the following:

Receivable	General Fund	Capital Projects Fund	Total
Taxes	\$ 50,563	\$ -	\$ 50,563
Service charges and fees	5,667	-	5,667
Intergovernmental			
Federal - FEMA	8,057	-	8,057
Federal - Other	19,004	300,351	319,355
State	28,201	-	28,201
Licenses and permits	17,592	-	17,592
Fines and forfeitures	6,020	-	6,020
Gaming	22,320	-	22,320
Other	174,908	-	174,908
	<u>\$ 332,332</u>	<u>\$ 300,351</u>	<u>\$ 632,683</u>

The Town is owed \$8,057 from FEMA for hurricane-related claims from prior year storms. Since the Governor’s Office of Homeland Security and Preparation (GOHSEP) has not remitted these funds within six months of their filing, they are considered “unavailable” and are presented as “deferred inflows – unavailable grant revenues” on the governmental fund balance sheet of the General Fund. See Note 11.C for additional information on these claims.

The \$19,004 receivable from Federal – Other in the General Fund is related to the Victim’s Assistance Grant. The \$300,351 in the Capital Projects Fund, is made up of \$138,397 due on the Community Development Block Grant (CDBG) Disaster Recovery – Hurricane Isaac Drainage Project and \$161,954 due from CDBG on the Wetland Education Center project (See Note 5 for information on capital projects).

The \$174,908 in Other Receivables in the General Fund is made up of \$102,091 in funds and contributions due to the Town related to the Seafood Festival that was held in June 2021, \$72,567 in insurance proceeds related to Hurricane Zeta, and \$250 from Tourist Center Proceeds.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the governmental funds for the year ended June 30, 2021 was as follows:

	Balance 6/30/2020	Additions	Deletions	Transfers	Balance 6/30/2021
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 690,985	\$ -	\$ -	\$ -	\$ 690,985
Construction in progress	3,861,799	873,300	-	(95,000)	4,640,099
Total capital assets not being depreciated	<u>4,552,784</u>	<u>873,300</u>	<u>-</u>	<u>(95,000)</u>	<u>5,331,084</u>
Capital assets being depreciated:					
Land improvements	465,835	-	-	-	465,835
Buildings	24,614,278	-	-	95,000	24,709,278
Building improvements	2,176,404	-	-	-	2,176,404
Furniture, fixtures, and equipment	790,491	-	-	-	790,491
Vehicles and heavy equipment	520,717	-	(46,000)	-	474,717
Infrastructure (roads/drainage)	16,038,991	-	-	-	16,038,991
Total capital assets being depreciated	<u>44,606,716</u>	<u>-</u>	<u>(46,000)</u>	<u>95,000</u>	<u>44,655,716</u>
Less accumulated depreciation for:					
Land improvements	(241,314)	(19,737)	-	-	(261,051)
Buildings	(5,807,389)	(607,967)	-	-	(6,415,356)
Building improvements	(1,034,427)	(76,370)	-	-	(1,110,797)
Furniture, fixtures, and equipment	(532,153)	(31,365)	-	-	(563,518)
Vehicles and heavy equipment	(465,069)	(10,084)	46,000	-	(429,153)
Infrastructure (roads/drainage)	(8,252,437)	(222,217)	-	-	(8,474,654)
Total accumulated depreciation	<u>(16,332,789)</u>	<u>(967,740)</u>	<u>46,000</u>	<u>-</u>	<u>(17,254,529)</u>
Capital assets being depreciated, net					
Land improvements	224,521	(19,737)	-	-	204,784
Buildings	18,806,889	(607,967)	-	95,000	18,293,922
Building improvements	1,141,977	(76,370)	-	-	1,065,607
Furniture, fixtures, and equipment	258,338	(31,365)	-	-	226,973
Vehicles and heavy equipment	55,648	(10,084)	-	-	45,564
Infrastructure (roads/drainage)	7,786,554	(222,217)	-	-	7,564,337
Total capital assets being depreciated, net	<u>28,273,927</u>	<u>(967,740)</u>	<u>-</u>	<u>95,000</u>	<u>27,401,187</u>
Total Governmental Activities capital assets, net	<u>\$ 32,826,711</u>	<u>\$ (94,440)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,732,271</u>

Depreciation expense was charged to the functions of the governmental activities in 2021 as follows:

Function	
General Government	\$ 94,479
Public Safety	-
Public Works	326,069
Culture and Recreation	547,192
	<u>\$ 967,740</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in progress at June 30, 2021 consisted of the following projects:

Project	Construction In Progress	Expended During 2021
Auditorium Demolition and Construction	\$ 131,400	\$ 226,400
CDBG Disaster Recovery Drainage Projects:		
Hurricane Isaac Drainage Improvements	2,757,187	151,114
Lafitte Sidewalk Beautification	966,621	101,485
Wetlands Education Center	784,891	394,301
	<u>\$ 4,640,099</u>	<u>\$ 873,300</u>

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

The Auditorium construction project was completed; however, the Town had a dispute with the contractor and had withheld liquidated damages of \$272,500 from billings due to deficiencies in the construction of the building. The terms of the contract allow for such a withholding for liquidated damages. The Auditorium was placed into service on December 31, 2016 despite these delays and the dispute. The dispute was settled in 2021 with the contractor being ordered to pay a settlement to the Town in the amount of \$234,000 and the Town was ordered to pay the \$329,000 balance on the contract (which included the liquidated damages previously withheld). On this final payment, the Town received a reimbursement of \$164,981 from the Parish under the original CDBG Disaster Recovery Grant that helped pay for the Auditorium's construction. The Town signed a new contract for \$213,250 with a different contractor in 2021 to correct deficiencies with the auditorium's roof. In 2021, payments of \$131,400 have been accrued against this contract and placed into construction in progress at year end.

A CDBG Disaster Recovery Grant paid for various street drainage projects throughout the Town in prior years. During 2021, 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 \$151,114 during 2021, bringing the project-to-date costs to \$2,757,187. The current year costs have been added to construction in progress. Of the current year costs, \$-0- was received under the grant during the year and \$138,397 has been accrued as receivable at year end. The total amount of \$138,397 has been recognized as revenue in the Capital Projects Fund. Reimbursement requests have been submitted and some of the funds have been received subsequent to year end. The \$12,717 in legal and interest costs are not grant eligible and are being paid for via a transfer from the General Fund. This project is considered complete once this last payment is received.

The Lafitte Sidewalk Beautification project is made up of various phases (Phase I, Phase II, and Rosethorne Path) and includes architectural and construction costs to install sidewalks and subsurface infrastructure to support the sidewalks through certain sections of the Town. These projects are being funded with federal funding through the Louisiana Department of Transportation and Development (which covers 95% of construction costs), a grant from the Regional Planning Commission, local funding from the Parish, and a local match from the Town.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

During 2021, costs of \$101,485 were added to construction in progress, bringing the total project costs-to-date to \$966,621. During the year, \$51,896 was received under the grant, of which \$20,938 was accrued in the prior year, bringing the total grant revenues to \$30,958 for the year. Total receipts came to \$151,896 for this project (\$100,000 from the Lafitte Area Independent Levee District and \$51,896 under the federal grant, less the prior year accrual). This project continues.

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 2021, the Town spent \$394,301 on architecture, design and testing work. This amount has been added to construction in progress. Of this amount, \$71,704 has been submitted under the NDR grant from HUD/CDBG – LASAFE Grant and \$322,597 has been submitted to the CPRA under the NRDA Grant. During 2021, \$247,331 was received and another \$161,954 has been accrued as receivable at year end under these grants. The total revenues of \$394,301 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.

NOTE 6 – 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 \$76,415. 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 2021, the General Fund had to make a transfer to the Capital Project Fund for \$12,717 to cover legal fees and interest on the CDBG Disaster Recovery – Isaac drainage project. These costs were incurred in a dispute with the contractor and are not grant eligible. The Town also transferred \$93,477 on the Lafitte Sidewalks Project, which covers costs through 2020 that the Town was responsible for (i.e., Town match). 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 7 – 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.10, in accordance with GASB Statement Codification Section 1800, fund balance of the governmental fund types are categorized in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – Non-spendable, Restricted, Committed, Assigned and Unassigned.

At June 30, 2021, the Town reported \$105,460 in the non-spendable category to reflect that the assets in prepaid items that are not in spendable form. The remaining balance of \$483,021 is categorized as unassigned fund balance - \$559,576 in the General Fund and a deficit in unassigned fund balance of \$(76,555) in the Capital Projects Fund.

NOTE 8 - SALES TAXES

For the year ended June 30, 2021, 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 2021, these taxes generated \$243,476, 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 2021, this tax generated \$38,977.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 9 – LEASES

The Town leases various Town-owned facilities to businesses and citizens. 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 \$73,241 in lease income during 2021.

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 \$374,000.

The Medical Center building is being leased for a period of 3 years (the lease term is from January 30, 2019 to January 30, 2022). Monthly payments of \$1,500 are due under this lease. For 2021, the Town recognized \$18,000 in lease income under this lease. 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. For 2021, the Town recognized \$15,600 in lease income under this lease. The local State Representative began leasing an office in the Tourist Center in March 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. For 2021, the Town recognized \$3,000 in lease income under this lease. The amount is included in Tourist Center Proceeds.

Minimum lease payments due under each lease in future years is as follows:

Medical Center		Anytime Fitness		Representative's Office	
<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 10,500	2022	\$ 15,600	2022	\$ 3,000
2023	-	2023	3,900	2023	3,000
2024	-	2024	-	2024	1,500
	<u>\$ 10,500</u>		<u>\$ 19,500</u>		<u>\$ 7,500</u>

NOTE 10 - EMPLOYEE PENSION PLANS

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

General Information about the Pension Plans

Plan Descriptions/Benefits Provided

The Municipal System

The Municipal System administers a plan to provide retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the system. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by the plan and vary depending on the member's hire date, employer and job classification.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is permanent and works at least 35 hours per week. Plan A members who were hired prior to January 1, 2013 may retire 1) at any age with 25 years or more of creditable service, 2) at age 60 with at least 10 years of creditable service, 3) at any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit. Plan B members may retire 1) at any age with 30 years of creditable service, or 2) at age 60 with at least 10 years of creditable service. For Plan A and B members hired after January 1, 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.

The Police System

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

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

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

Disability Benefits

The Municipal System

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

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

Survivor Benefits

The Municipal System

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

The Police System

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

Deferred Retirement Option Plan Benefits (DROP)

The Municipal System

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

The Police System

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to 36 months and defer the receipt of benefits. During participation in the plan, both the employee and employer contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum or a true annuity.

If employment is not terminated at the end of 3 years, payments into the DROP fund cease and the person resumes active contribution membership in the system. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage return of the system's investment portfolio. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the system's investment portfolio return or a money market investment return, which could result in a negative earnings rate being applied to the account.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Cost of Living Adjustments

The Municipal System

The system is authorized under state statutes to grant a cost of living increase to members who have been retired for at least one year. The increase cannot exceed 2.0% of the eligible retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State statutes allow the system to grant an additional cost of living increase to all retirees and beneficiaries who are age 65 and above equal to 2.0% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

The Police System

The board of trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary, or survivor's benefit, not to exceed 3.0% in any given year. The board is authorized to provide an additional 2.0% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 year or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.

Contributions

The Municipal Plan

According to state statutes, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2020, the actuarially determined employer contribution rate was 27.75% for Plan A (the Plan that the Town participates in) and 14.00% for Plan B.

For 2021, 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 2021 were as follows:

Source	Amount	Covered Payroll	Percent of Covered Payroll
Employee	\$ 28,500	\$ 285,000	10.00%
Employer	84,075	285,000	29.50%

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

The Town’s proportionate share of these non-employer contributions totaled \$9,233 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.

The Police System

Contributions for all members are actuarially determined as required by state statutes but cannot be less than 9.0% of the employee’s earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2020, the required employer and employee combined contribution rate for was 42.50% - 32.50% for the employer and 10.00% for the employee, For employees hired prior to January 1, 2013 and for Hazardous Duty members hired after January 1, 2013, the rates were 32.50% for the employer and 10.00% for the employee. For all Non-Hazardous Duty members hired subsequent to January 1, 2013, the rates were 32.50% for the employer and 8.00% for the employee. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.50%, respectively.

For 2021, the Town did not have any active participants in the Police System. The actual employer contribution rate for 2021 would have been 32.50%, while the employee contribution rate was 10.00%. Employer and employee contributions to Police System for fiscal year 2021 were as follows:

Source	Amount	Covered Payroll	Percent of Covered Payroll
Employee	\$ -	\$ -	0.00%
Employer	-	-	0.00%

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

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

At June 30, 2021, the Town reported a combined liability of \$588,472 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System and the Police System. The amount for each plan was \$588,472 and \$-0-, respectively. The NPL for each system was measured as of June 30, 2020, 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, 2020, the most recent measurement date, the Town's proportionate share for each system was:

	The Municipal System	The Police System
Town's Proportionate Share	0.136113%	0.000000%
Decrease from prior year	0.006467%	0.000000%

For the year ended June 30, 2021, the Town recognized a total pension expense (benefit) of \$80,488, with \$93,796 related to the Municipal System and \$(13,308) related to the Police System. These amounts are made up of the following:

Components of Pension Expense (Benefit)	The Municipal System	The Police System
Town's pension expenses per the pension plan	\$ 93,221	\$ -
Town's amortization of its change in proportionate share	1,077	(13,308)
Town's amortization of actual contributions over its proportionate share of contributions	(502)	-
Total Pension Expense (Benefit) Recognized by Town	\$ 93,796	\$ (13,308)

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

At year end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions 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	\$ 273	\$ 3,337
b) Net change in assumptions	9,901	-
c) Net difference between projected and actual earnings on pension plan investments	58,725	-
d) Changes in proportion to NPL	-	2,128
e) Differences between the Town's contributions and its proportionate share of contributions	16,213	1,155
f) Town's contributions subsequent to the June 30, 2020 measurement date	84,075	-
	<u>\$ 169,187</u>	<u>\$ 6,620</u>
<i>The Police System</i>		
a) Differences between expected and actual experience	\$ -	\$ -
b) Net change in assumptions	-	-
c) Net difference between projected and actual earnings on pension plan investments	-	-
d) Changes in proportion to NPL	-	-
e) Differences between the Town's contributions and its proportionate share of contributions	-	-
f) Town's contributions subsequent to the June 30, 2020 measurement date	-	-
	<u>\$ -</u>	<u>\$ -</u>
Grand Total	<u>\$ 169,187</u>	<u>\$ 6,620</u>

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date (June 30, 2020) totaled \$84,075 (\$84,075 for the Municipal System and \$-0- for the Police System). These amounts will be recognized as a reduction of the NPL in the year ending June 30, 2022. It should be noted that there are no active employees currently participating in the Police Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount of Amortization	
	The Municipal System	The Police System
2022	\$ (30,242)	\$ -
2023	(26,485)	-
2024	(13,157)	-
2025	(8,608)	-
	<u>\$ (78,492)</u>	<u>\$ -</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each system in the respective June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Description	Assumptions/Methods	
	The Municipal System	The Police System
Valuation Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	6.950%, net of investment expense	6.950%, net of investment expense
Inflation Rate	2.500%	2.500%
Projected Salary Increases	4.50% to 6.40% (depending on years of service)	4.70% to 12.30% (depending on years of service)
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	Pub-2010 Public Retirement Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 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	Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 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	Pub-2010 Public Retirement Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 scales.
Expected Remaining Service Lives	3 Years	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.

On both systems, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized in the following table:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
<u>The Municipal System</u>		
Public Equity	53.0%	2.33%
Public Fixed Income	38.0%	1.67%
Alternative Investments	9.0%	0.40%
Totals	100.0%	4.40%
Inflation		2.60%
Expected Arithmetic Rate of Return		7.00%
<u>The Police System</u>		
Public Equity	48.5%	3.08%
Public Fixed Income	33.5%	0.54%
Alternative Investments	18.0%	1.02%
Totals/Average	100.0%	4.64%
Inflation		2.55%
Expected Arithmetic Rate of Return		7.19%

Discount Rate. The discount rate used for the both the Municipal System and the Police System was 6.950%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system's actuary.

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

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

<u>The Municipal System</u>	1.0% Decrease	Current Discount Rate	1.0% Increase
	5.950%	6.950%	7.950%
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ 765,538	\$ 588,472	\$ 438,756

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

The Police System

	1.0% Decrease 5.950%	Current Discount Rate 6.950%	1.0% Increase 7.950%
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ -	\$ -	\$ -

Pension Plan Fiduciary Net Position. Both systems issue publicly available financial reports that include financial statements and required supplementary information for the System. Detailed information about each system's fiduciary net position is available in these separately issued 2020 financial reports. These reports may be obtained by visiting the Louisiana Legislative Auditor's website at www.la.gov and searching under the Reports Section. The Municipal System's report can also be found at www.mersla.com and the Police System's report can be found at www.lampers.org.

Payables to the Pension Plan. At June 30, 2021, the Town had payables to the pension plans totaling \$8,660 (\$8,660 to the Municipal System and \$-0- to the Police System) for the June 2021 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A) Risk Management

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

B) Litigation

There is no significant litigation 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. The Town was involved in some disputes that require disclosure.

The Town was in a dispute with the general contractor (contractor) on the Auditorium project and it had withheld \$272,500 in liquidated damages and punch list items from prior billings. The liquidated damages were withheld as allowed by the contract. The contractor filed a claim against the consulting engineers, who were assisting the Town in designing and managing the project, and the Town. The dispute was settled in 2021 with the contractor being ordered to pay a settlement to the Town in the amount of \$234,000 and the Town was ordered to pay the \$329,000 balance on the contract (which included the liquidated damages previously withheld). The dispute has been settled and the project is now complete.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Town was also in a dispute with the general contractor (contractor) on the CDBG Hurricane Isaac Drainage Improvements Project and had withheld \$137,000 in liquidated damages, as allowed under the contract for construction delays and deficiencies. The dispute went to mediation and was settled. The Town was ordered to pay the balance of the contract (\$138,397) plus \$10,000 in legal fees and \$2,717 in legal interest. The Town made these payments and this dispute has been settled.

C) Federal Assistance – Public Disaster Assistance

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

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

Hurricane Katrina (1603-DR-LA)

The Town was affected by Hurricane Katrina in August 2005. To date, claims totaling \$2,553,291 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$1,769,646 has been obligated. The Town's share of the approved claims was 0-percent. To date, \$1,918,620 has been authorized plus an additional \$30,392 of administrative costs, for a total of \$1,949,012. 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 \$1,949,012 from FEMA. A prior balance due of \$11,368 was credited out by FEMA in 2021, along with an additional \$1,053 in applied payments. The result was a current year revenue of \$(12,421) 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, \$1,306,153 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, \$1,251,508 has been authorized for payment. In 2021, FEMA applied \$7,030 in credits from another grant, resulting in a current year revenue of \$(7,030) 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Hurricane Isaac (4080-DR-LA)

The Town was affected by Hurricane Isaac in September 2012. To date, claims totaling \$258,992 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$205,993 has been obligated. The Town's share of the approved claims was 25 percent in some cases for a total of \$34,554. To date, \$103,661 has been authorized for payment.

To date, \$95,604 has been received from FEMA, with the balance due of \$8,057 being accrued at year-end in the General Fund. During 2021, there was no activity on this disaster. The Town is awaiting completion and close-out of three projects by FEMA related to this disaster.

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 2021, \$8,083 was "paid" by FEMA using applied credits from prior storms/project, resulting in a current year revenue of \$8,083 under this project. The lone project under this disaster was closed by FEMA subsequent to year-end.

Tropical Storm Cristobal (3527-DR-LA)

The Town was affected by Tropical Storm Cristobal in June 2020. Application was filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program for disaster assistance; however, it was withdrawn in August 2020 after the Town finished its storm survey and found no significant damage to claim.

Hurricane Zeta (3549-DR-LA)

The Town was affected by Hurricane Zeta in October 2020. The Town has filed claims totaling \$228,529 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. To date, \$-0- has been authorized for payment even though the Town has spent \$166,498 on these claims.

At June 30, 2021, 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, 2021, thus, no accruals have been made at year end. The Town expects the costs, less adjustments for insurance, to be approved in 2022.

D) Urban Development and Housing Project Commitment

The Town entered into a cooperative endeavor agreement in 2014 with the Jefferson Parish Community Development Office to facilitate the reconstruction and/or elevation of several houses that were destroyed or damaged by previous hurricanes and floods. The program is being funded with funds from the JP/CDBG HOME Investment Partnership program. Under the agreement, the Town would be

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

reimbursed up to \$1,784,251 plus an administrative fee not to exceed 15% of the costs. The Town was given an advance of \$217,500 as a mobilization payment in 2014.

During 2021, the Town expended \$3,573 on this project, bringing the total-to-date expenditure to \$1,793,810. During 2021, the Town received \$-0-, bringing the total revenues to date figure to \$1,793,810. The \$3,573 was previously recorded as unearned grant revenues on the General Fund Balance Sheet as well as the Statement of Net Position. For 2021, this \$3,573 was recognized as revenue and the grant was closed out.

E) COVID-19 Pandemic

In early March 2020, the COVID-19 virus was declared a global pandemic, and unfortunately it continues to spread rapidly throughout the United States. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been severely impacted for months, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management of the Town is carefully monitoring the situation and evaluating its options during this time. Since most of its 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 pressures on some budgeted revenues in the future due to 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. No adjustments have been made to these financial statements as a result of this uncertainty.

F) Coronavirus Relief Fund (CRF) Reimbursements

In response to the COVID-19 pandemic, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and a supplemental bill, the Coronavirus Relief Fund (CRF). Through the CRF, States were to receive direct payments, with each State receiving a minimum of \$1.25 billion. Louisiana’s share totaled \$1.8 billion. The State allocated a portion of these funds (\$810 million) to parishes and municipalities who have or will incur expenditures due to the public health emergency between the dates of March 1, 2021 and December 31, 2021. Through June 30, 2021, the Town submitted costs of \$124,380, of which, \$41,957 was deemed ineligible (or over budget). The balance of \$82,423 was approved for reimbursement.

As of June 30, 2021, \$82,423 has been received, with \$63,622 having been accrued as accounts receivable in the prior year and \$18,801 being recognized as revenue in the General Fund in the current year.

NOTE 12 – SUBSEQUENT EVENTS

COVID-19 Pandemic

Subsequent to year end, the COVID-19 pandemic continues to spread across the State of Louisiana, including the area that encompasses the Town of Jean Lafitte. While COVID-19 has had a minimal impact on the operations of the Town, it has had a larger impact on certain businesses within and around the Town. The stay-at-home mandate and social distancing orders of Federal, State, and Local government authorities continue to have a negative impact on the local economy.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021

NOTE 12 – SUBSEQUENT EVENTS (CONTINUED)

It is expected that any revenue reductions seen by the Town will be offset by utilizing available fund balances in the short-term and possible operating cost reductions in the long-term, if needed. See Note 11.E for more discussion of the pandemic.

Hurricane Ida

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, which took on water and is 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. The Town has also requested assistance from the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. The Town employees are still gathering data on the claims, thus it is not possible as of the date of this report to place a value on the assets lost or damaged in this storm or how much of an “impairment” will be realized.

NOTE 13 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

As of June 30, 2021, 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. 87 (GASB 87)**
The GASB issued Statement No. 87, *Leases*, in June 2017. The provisions of this Statement are effective for fiscal years beginning after June 15, 2021.
- **Governmental Accounting Standards Board Statement No. 89 (GASB 89)**
The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, in June 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.
- **Governmental Accounting Standards Board Statement No. 91 (GASB 91)**
The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2020. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.
- **Governmental Accounting Standards Board Statement No. 92 (GASB 92)**
The GASB issued Statement No. 92, *Omnibus 2021*, in January 2021. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- **Governmental Accounting Standards Board Statement No. 93 (GASB 93)**
The GASB issued Statement No. 93, *Replacement of Interbank Offering Rates*, in March 2021. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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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) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012
Town's proportion of the net pension liability (asset)	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)	\$ 588,472	\$ 541,747	\$ 544,313	\$ 568,042	\$ 431,000	\$ 370,458	\$ 288,201	\$ 464,691	-	-
Town's covered payroll (CEP)	\$ 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)	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	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) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012
Town's contractually required contribution	(3) \$ 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	84,075	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)	\$ 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%	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) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012
Town's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.006982%	0.012524%	0.012925%	0.023565%	-	-
Town's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ 65,441	\$ 98,112	\$ 80,860	\$ 188,247	-	-
Town's covered payroll (CEP)	\$ -	\$ -	\$ -	\$ -	\$ 19,560	\$ 33,500	\$ 66,500	\$ 122,221	-	-
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll (CEP)	0.00%	0.00%	0.00%	0.00%	334.57%	292.87%	121.59%	154.02%	-	-
Plan fiduciary net position as a percentage of the total pension liability	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) 2021	(5) 2020	(5) 2019	(5) 2018	(5) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012
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%	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, 2021.

Municipal Police Employee's Retirement System

There were no changes of benefit terms for the year ended June 30, 2021.

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
6/30/2021	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
6/30/2021	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
6/30/2021	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
6/30/2021	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
6/30/2021	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
6/30/2021	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
6/30/2021	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
6/30/2021	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, 2021

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes	\$ 372,076	\$ 363,300	\$ 8,776	\$ 336,000
Intergovernmental				
Federal	75,610	68,800	6,810	62,250
State	265,857	274,777	(8,920)	157,600
Parish/local	17,101	22,550	(5,449)	22,550
Licenses and permits	59,364	60,750	(1,386)	66,400
Service charges, rentals and fees	106,841	106,100	741	83,655
Fines and forfeitures	120,844	124,000	(3,156)	110,100
Gaming fees and commissions	340,581	310,250	30,331	218,500
Interest	600	600	-	11,500
Other	777,848	552,505	225,343	20,450
Total Revenues	<u>2,136,722</u>	<u>1,883,632</u>	<u>253,090</u>	<u>1,089,005</u>
EXPENDITURES				
Current:				
General government	1,571,711	1,478,769	(92,942)	1,157,800
Public safety	238,792	214,250	(24,542)	225,825
Public works	324	500	176	1,000
Urban development and housing	-	-	-	-
Culture and recreation	714,466	397,250	(317,216)	48,000
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,525,293</u>	<u>2,090,769</u>	<u>(434,524)</u>	<u>1,432,625</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(388,571)</u>	<u>(207,137)</u>	<u>(181,434)</u>	<u>(343,620)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(106,194)	(94,000)	(12,194)	-
Proceeds from the sale of equipment	5,486	4,467	1,019	-
Total Other Financing Sources (Uses)	<u>(100,708)</u>	<u>(89,533)</u>	<u>(11,175)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(489,279)	(296,670)	(192,609)	(343,620)
FUND BALANCE				
Beginning of year	1,154,315	1,154,315	-	1,125,580
End of year	<u>\$ 665,036</u>	<u>\$ 857,645</u>	<u>\$ (192,609)</u>	<u>\$ 781,960</u>

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**INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF REVENUES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes				
Sales Taxes	\$ 282,453	\$ 271,500	\$ 10,953	\$ 243,000
Franchise Taxes	89,623	91,800	(2,177)	93,000
Total Taxes	372,076	363,300	8,776	336,000
Intergovernmental				
Federal				
FEMA - Public Assistance Grants	-	5,000	(5,000)	17,250
Victim's Assistance Grants	53,236	45,000	8,236	45,000
CDBG - Housing Assistance Grants	3,573	-	3,573	-
CARES Act - COVID 19	18,801	18,800	1	-
Total Federal	75,610	68,800	6,810	62,250
State				
Parish Transportation Fund	157,988	166,800	(8,812)	134,400
Beer Tax Allocation	3,129	3,300	(171)	3,200
Tobacco Tax Allocation	127	64	63	-
Senior Citizen Utility Income	20,000	20,000	-	20,000
LADODT - Bridge Disaster Reimbursements	64,613	64,613	-	-
Nature Trail	20,000	20,000	-	-
Total State	265,857	274,777	(8,920)	157,600
Parish/local				
Library Grant	17,101	17,550	(449)	17,550
Tourism	-	5,000	(5,000)	5,000
Cameras	-	-	-	-
Total Parish/Local	17,101	22,550	(5,449)	22,550
Total Intergovernmental	358,568	366,127	(7,559)	242,400
Licenses and permits				
Occupational Licenses	18,416	23,500	(5,084)	23,500
Insurance Premium Fees	31,175	28,000	3,175	29,500
Alcoholic Beverage Permits	1,743	1,000	743	2,200
Building, Electrical and Plumbing Permits	8,030	8,250	(220)	11,200
	59,364	60,750	(1,386)	66,400
Service charges, rentals and fees				
Facility Rentals	106,841	106,100	741	79,400
Royalties	-	-	-	4,255
	106,841	106,100	741	83,655
Fines and forfeitures				
Fines - Redflex Traffic Systems	21,987	22,000	(13)	2,100
	98,857	102,000	(3,143)	108,000
	120,844	124,000	(3,156)	110,100
Gaming fees and commissions				
Boomtown Boarding Fees	340,581	310,000	30,581	218,000
Video Poker Fees	-	250	(250)	500
	340,581	310,250	30,331	218,500
Interest				
	600	600	-	11,500
Other				
Donations - Other	1,100	1,100	-	-
Insurance Proceeds	129,622	57,055	72,567	-
Special Events and Festivals	632,345	478,000	154,345	15,000
Tourist Information Proceeds	3,000	3,000	-	-
Artist Proceeds	4,068	4,350	(282)	1,200
Senior Citizen Fund	-	-	-	750
Miscellaneous	7,713	9,000	(1,287)	3,500
	777,848	552,505	225,343	20,450
Total Revenues	\$ 2,136,722	\$ 1,883,632	\$ 253,090	\$ 1,089,005

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
EXPENDITURES				
Current:				
General Government				
Salaries and Benefits				
Salaries - Council	\$ 48,000	\$ 48,000	\$ -	\$ 48,000
Salaries - Regular	362,445	350,135	(12,310)	355,000
Retirement	84,075	84,075	-	78,000
Payroll taxes	44,860	45,000	140	42,500
Health and life insurance	55,602	56,000	398	56,000
Unemployment insurance	1,120	1,600	480	1,250
Workman's compensation insurance	12,106	12,550	444	12,550
	<u>608,208</u>	<u>597,360</u>	<u>(10,848)</u>	<u>593,300</u>
General and Administrative Costs				
Accounting and auditing	57,598	58,000	402	50,000
Appraisals/surveys	-	-	-	-
Architect/engineering	-	-	-	-
Auto and truck	13,583	10,250	(3,333)	17,500
Bank charges	2,827	2,500	(327)	3,000
Contract labor	6,122	6,125	3	1,750
Consultants	24,000	24,000	-	24,000
Court costs	757	750	(7)	500
Dues and subscriptions	485	750	265	750
Election expenditures	1,430	1,430	-	-
Emergency response costs - BP oil spill	-	-	-	-
Emergency response costs - hurricanes	180,493	250	(180,243)	-
Eyecare contractor	-	-	-	-
Emergency response costs - COVID 19	2,417	3,000	583	-
Emergency response costs - Bridge Disaster Costs	50,704	50,704	-	-
Food bank expenditures	-	-	-	500
Insurance	169,951	158,500	(11,451)	150,000
Janitorial	4,952	1,250	(3,702)	5,750
Legal - attorney/magistrate	68,151	60,000	(8,151)	35,000
Mileage	-	-	-	-
Miscellaneous	11,619	20,000	8,381	5,500
Office supplies	12,685	12,500	(185)	15,000
Official journal	5,873	5,500	(373)	600
Regulatory grant expenditures	-	-	-	-
Rentals	1,560	1,650	90	1,250
Repairs and maintenance	174,771	300,000	125,229	82,000
Scholarship program	5,500	5,500	-	3,400
Travel - conventions	3,727	750	(2,977)	5,000
Travel - other	2,222	500	(1,722)	3,000
Uniforms	-	-	-	-
Utilities	162,076	157,500	(4,576)	160,000
	<u>963,503</u>	<u>881,409</u>	<u>(82,094)</u>	<u>564,500</u>
Total General Government	<u>1,571,711</u>	<u>1,478,769</u>	<u>(92,942)</u>	<u>1,157,800</u>

(Continued)

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<u>Public Safety</u>				
Salaries - officers	135,391	128,750	(6,641)	145,000
Redflex collection fees	28,524	21,000	(7,524)	26,325
Supplies - police	22,881	19,500	(3,381)	12,500
Victims assistance grant costs	51,996	45,000	(6,996)	42,000
Total Public Safety	<u>238,792</u>	<u>214,250</u>	<u>(24,542)</u>	<u>225,825</u>
<u>Public Works</u>				
Road maintenance - supplies	324	500	176	1,000
Total Public Works	<u>324</u>	<u>500</u>	<u>176</u>	<u>1,000</u>
<u>Urban Planning and Housing</u>				
CDBG housing assistance program	-	-	-	-
Total Urban Planning and Housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Culture and Recreation</u>				
Seafood festival costs	678,689	375,000	(303,689)	-
Senior Center expenditures	-	-	-	1,275
Special events - other	11,344	4,000	(7,344)	25,000
Tourism costs	20,453	14,000	(6,453)	20,000
Artist costs	3,980	4,250	270	1,725
Total Culture and Recreation	<u>714,466</u>	<u>397,250</u>	<u>(317,216)</u>	<u>48,000</u>
<u>Intergovernmental:</u>				
Lafitte Levee - share of vehicle	-	-	-	-
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Debt Service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Capital Outlay</u>				
Land, buildings and improvements	-	-	-	-
Furniture, fixtures and equipment	-	-	-	-
Vehicles and heavy equipment	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 2,525,293</u>	<u>\$ 2,090,769</u>	<u>\$ (434,524)</u>	<u>\$ 1,432,625</u>

TOWN OF JEAN LAFITTE, LOUISIANA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - CAPITAL PROJECT FUND
For the Year Ended June 30, 2021**

	Capital Projects Fund
REVENUES	
Taxes	\$ -
Intergovernmental	
Federal	406,040
State	422,597
Parish/local	-
Interest	-
Other	-
Total Revenues	<u>828,637</u>
EXPENDITURES	
Capital Outlay	
Land	-
Architect/Engineering	136,639
Construction	717,726
Equipment and Fixtures	-
Testing and Other	18,935
Total Expenditures	<u>873,300</u>
Excess (Deficiency) of Revenues over Expenditures	(44,663)
OTHER FINANCING SOURCES (USES)	
Transfers in	106,194
Transfers out	-
Total Other Financing Sources (Uses)	<u>106,194</u>
NET CHANGE IN FUND BALANCE	61,531
FUND BALANCE	
Beginning of year	(138,086)
End of year	<u>\$ (76,555)</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, 2021

<u>Councilperson</u>	<u>Amount</u>
Barry Bartholomew	\$ 9,600
Christy Creppel	9,600
Shirley Guillie	9,600
Calvin LeBeau	9,600
Verna Smith	9,600
TOTAL COUNCILPERSONS' COMPENSATION	<u>\$ 48,000</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, 2021**

Agency Head Name/Title:	Timothy P. Kerner, Jr.	
	Mayor	
Purpose	Amount	
Salary	\$	80,000 (1)
Taxes - Federal (Social Security and Medicare)		6,226 (2)
Benefits - Retirement		23,600 (3)
Benefits - Insurance (Group Health)		6,425 (4)
Benefits - Other		-
Vehicle Provided by Agency		1,180 (5)
Per Diem		-
Reimbursements		-
Travel (meal per diems)		-
Travel (gas and parking)		2,933
Registration Fees		-
Conference Travel		55 (6)
Continuing Professional Education Fees		-
Housing		-
Unvouchered Expenses		-
Special Meals		1,823 (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 2021.
- (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 2021, 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.).
- (7) Includes meals related to Town business, including meals at conferences.

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2021

State Source	Amount
State General Fund:	
Department of the Treasury - Tax/Fee Allocations	
Parish Transportation Funds	\$ 157,988
Beer Tax	3,129
Tobacco Tax	127
	161,244
Louisiana Office of Community Development	
Senior Citizens Utility Income Assistance	20,000
Louisiana Department of Transportation and Development	
Lafitte Bridge Disaster - Reimbursement of Costs	64,613
Miscellaneous State Aid	
Nature Trail	20,000
Total State Funding - General Fund	\$ 265,857
Other State Agencies:	
Coastal Protection and Restoration Authority	
National Resource Damage Assessment - Wetlands Center (BA-026)	322,597
Lafitte Area Independent Levee District	
Lafitte Sidewalk Beautification Project	100,000
Total State Funding	\$ 688,454

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 JEANLAFITTE, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
For the Year Ended June 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	9,241	11,991
Criminal Court Costs/Fees	340	417
Civil Fines - Other	27,239	72,818
Subtotal Collections	<u>36,820</u>	<u>85,225</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Dept of Health - Traumatic Head and Spinal Cord Injury Trust Fund	200	245
Louisiana Commission on Law Enforcement	80	98
Louisiana Supreme Court	20	25
Treasurer, State of Louisiana - CMIS	40	49
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed to Collecting Agency:		
Criminal Fines - Other	9,241	11,991
Civil Fines - Other	22,374	49,160
Less: Disbursement to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	4,865	23,658
Subtotal Disbursements/Retainage	<u>36,820</u>	<u>85,225</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, 2021

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	
Pre-disaster Mitigation - Town Hall Retrofit	97.047	EMT-2015-PC-0010(0)	Project Completion	
Total Department of Homeland Security				
Department of Justice				
Passed Through Louisiana Commission on Law Enforcement and/or				
Jefferson Parish Criminal Justice Coordinating Council				
Victim's Assistance Program Grant- 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
Total Department of Justice				
Department of Housing and Urban Development				
Passed through Jefferson Parish Office of Community Development				
Community Development Block Grant - Disaster Recovery - Auditorium Demo & Construction	14.228	29PARA3202	Project Completion	
Community Development Block Grant - Disaster Recovery - Isaac Drainage Improvements	14.228	Unknown	Project Completion	
CDBG/Home Investment Partnership Program - Housing Assistance	14.239	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)				
Coronavirus Relief Fund (CRF) Expense Reimbursements	21.019	Coronavirus Relief Fund	Project Completion	
Total Pass-Through Grants				
Grand Total - All Grants				

FOOTNOTES TO SCHEDULE:

No "Single Audit" was required for the year ended June 30, 2021 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, 2020 to June 30, 2021. 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". The "current revenues" shown on this schedule reflects the net of current year revenues and the change 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,368	\$ (1,053)	\$ -	\$ (12,421)	\$ -	\$ -	\$ -
-	(7,030)	-	(7,030)	-	-	-
8,057	-	8,057	-	-	-	-
-	8,083	-	8,083	8,083	-	8,083
-	-	-	-	-	-	-
19,425	-	8,057	(11,368)	8,083	-	8,083
-	-	-	-	-	-	-
19,425	-	8,057	(11,368)	8,083	-	8,083
11,304	45,536	19,004	53,236	53,236	-	53,236
-	-	-	-	-	-	-
11,304	45,536	19,004	53,236	53,236	-	53,236
-	164,981	-	164,981	164,981	-	164,981
358,101	358,101	138,397	138,397	138,397	-	138,397
358,101	523,082	138,397	303,378	303,378	-	303,378
(3,573)	-	-	3,573	3,573	-	3,573
14,984	38,406	48,282	71,704	71,704	-	71,704
369,512	561,488	186,679	378,655	378,655	-	378,655
20,938	51,896	-	30,958	30,958	-	30,958
20,938	51,896	-	30,958	30,958	-	30,958
63,622	82,423	-	18,801	18,801	-	18,801
63,622	82,423	-	18,801	18,801	-	18,801
\$ 484,801	\$ 741,343	\$ 213,740	\$ 470,282	\$ 489,733	\$ -	\$ 489,733
\$ 484,801	\$ 741,343	\$ 213,740	\$ 470,282	\$ 489,733	\$ -	\$ 489,733

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

General Fund	11,368
Capital Projects Fund	-
Current year revenue	\$ 481,650

Recognized in:

General Fund - as current year revenues	\$ 75,610
Capital Project Fund - as current year revenues	406,040
	\$ 481,650

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COMPLIANCE SECTION

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A Professional Accounting Corporation

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, 2021, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated March 31, 2022.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 31, 2022

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021

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, 2021.
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, 2021

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)

Town of Jean Lafitte

REPORT TO MANAGEMENT

JUNE 30, 2021





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A Professional Accounting Corporation

March 31, 2022

Honorable Timothy Kerner, Jr., Mayor
Town of Jean Lafitte, Louisiana

We have audited the financial statements of the Town of Jean Lafitte (the Town), for the year ended June 30, 2021 and have issued our report thereon. As part of our audit, we evaluated the internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. The Town's response to the matters identified below were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. This letter does not affect our reports dated March 31, 2022, on the financial statements, compliance and internal controls of the Town.



Current Year

MLC 2021-001 Local Government Budget Law

Criteria:

Louisiana Revised Statute 39:1311 requires governmental entity to revise its budget when total expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, exceed total budgeted expenditures and other uses by five percent or more.

Condition:

Expenditure amounts in the General Fund exceeded final budgeted expenditures by more than five percent.

Recommendation:

We recommend the Town amend the budget in accordance with the Louisiana Revised Statute 39:1311 and comply with all requirements of the Local Government Budget Act.

Management's Response:

We are aware of the budget act requirements and try to ensure that our budget reflects the expected activities in both revenues and expenditures. This year's variances were mostly caused by the success of the Seafood Festival, which brought in more revenues than expected and incurred more expenses than expected. Some of these expenses were one time infrastructure costs that will actually benefit future festivals and the Town will not need to spend money again (e.g., electrical hookups, festival ground improvements, etc.). This was the first year in nearly a decade that the Town held a festival, so we really did not have a historical guide to go by. We hope to do better in future festivals.

We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the Town's staff for their patience and cooperation with us during the performance of the audit.

This report is intended solely for the information and use of the Town of Jean Lafitte and its management and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville

Metairie, Louisiana
March 31, 2022