

TOWN OF JEAN LAFITTE

FINANCIAL REPORT

**For the Year Ended
June 30, 2020**

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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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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; and Schedule of State Funding are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The General Fund Schedule of Revenues - Budget to Actual; General Fund Schedule of 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; 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; 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 December 21, 2020, 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
December 21, 2020

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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, 2020

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, 2020. 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, 2020.
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$33,423,638. Of this amount, \$32,826,711 or 98.2% is invested in capital assets, such as land, buildings, equipment, vehicles and infrastructure. The remaining balance of \$596,927 or 1.8% may be used to meet the Town’s ongoing obligations to its citizens and creditors.
- The Town’s total net position increased by \$430,876 during 2020. The majority of this increase has to do with revenues exceeding expenses, along with the capitalization of capital assets.
- Under Government Accounting Standards Board (GASB) Codification Section P20, the Town records its proportionate share of the Net Pension Liability reported by the two pension plans it participates in. At year end, this net pension obligation totaled \$541,747. 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 \$139,628 and deferred inflows were \$36,608.
- At June 30, 2020, the Town’s governmental funds reported an ending fund balance of \$1,016,229, a decrease of \$(336,016) from the prior year. This includes \$1,154,315 in the General Fund and a deficit of \$(138,086) in the Capital Projects Fund. The portion of the fund balance that is available for spending at the Town’s discretion in the General Fund is \$1,056,672 or 104.0% of the total fund balance and 62.9% 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, including the local area. As noted in the analysis, several revenues and expenditures were impacted during 2020 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.

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, 2020

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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position Governmental Activities June 30,				
	2020		2019	
Current and other assets	\$ 1,220,752		\$ 2,906,538	
Capital assets	32,826,711		32,037,276	
Total assets	<u>34,047,463</u>		<u>34,943,814</u>	
Deferred outflows - pension-related	<u>139,628</u>		<u>194,414</u>	
Current liabilities	185,098		1,534,868	
Non-current liabilities - pension-related	541,747		544,313	
Total liabilities	<u>726,845</u>		<u>2,079,181</u>	
Deferred inflows - pension-related	<u>36,608</u>		<u>66,285</u>	
Net Position				
Net investment in capital assets	32,826,711	98.2%	32,037,276	97.1%
Restricted for Capital Projects	-	0.0%	-	0.0%
Unrestricted				
Designated	-	0.0%	-	0.0%
Undesignated	596,927	1.8%	955,486	2.9%
Total net position	<u>\$ 33,423,638</u>	<u>100.0%</u>	<u>\$ 32,992,762</u>	<u>100.0%</u>

The "net investment in capital assets" totals \$32,826,711 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 \$596,927 of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2020

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

Changes in Net Position		
Governmental Activities		
For the Year Ended June 30,		
	2020	2019
Revenues		
Program Revenues:		
Charges for Services	\$ 345,213	\$ 438,679
Operating Grants and Contributions	408,012	633,432
Capital Grants and Contributions	1,509,680	2,100,102
General Revenues:		
Taxes	356,176	342,609
Gaming	276,168	344,265
Unrestricted Interest Earnings	16,686	28,515
Insurance Proceeds	-	20,000
Miscellaneous Revenues	16,439	10,779
Total Revenues	2,928,374	3,918,381
Expenses		
General Government	1,351,189	1,314,431
Public Safety	230,277	183,449
Public Works	260,255	252,881
Urban Development and Housing	85,919	403,546
Culture and Recreation	534,858	538,839
Intergovernmental	35,000	-
Interest on Long-term Debt	-	980
Total Expenses	2,497,498	2,694,126
Change in Net Position	430,876	1,224,255
Net Position - Beginning	32,992,762	31,768,507
Net Position - Ending	\$ 33,423,638	\$ 32,992,762

Charges for services include licenses and permits, facility rentals, fines and forfeitures, and special event charges. For 2020, this category was down \$(93,466) due to 1) a drop in facility rentals of \$(28,568) due to closures and restrictions on facility rentals brought about by the COVID-19 pandemic, 2) a drop of \$(8,483) in licenses and permits (mostly in occupational licenses and building permits due to the pandemic), 3) a decrease of \$(19,726) in fines and forfeitures (due to a drop in fines during the State-mandated stay-at-home order in late spring caused by the pandemic), and 4) a decrease of \$(38,350) in special event revenues (as the Town cancelled various dances and social events in the Auditorium and Seafood Market in the spring due to the COVID-19 pandemic).

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 \$(225,420) compared to the prior year due to 1) an increase of \$90,015 in funding in the Public Safety Function made up of an increase of \$26,393 in Victim’s Assistance Grant revenues and an increase of \$63,622 in CARES Act Funding, 2) a decrease of \$(317,627) in the JP/CDBG – Home Investment Program (as this program wrapped up), and 3) an increase of \$5,000 in funding from the Parish for tourism costs.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2020

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, and miscellaneous grants from the Parish for repairs and improvements. This category was down \$(590,422) from the prior year due to the following: 1) FEMA disaster funds (up \$22,969), 2) FEMA Retrofit grant to “harden” the Town Hall (down \$(38,184)), 3) Parish grant for cameras (up \$10,000), 4) CDBG Disaster Recovery Grants related to the construction of streets/drainage (down \$(711,734)), 5) DOTD grants for sidewalks (down \$(116,094)), 6) CDBG Resilience Grants for the design and construction of a Wetlands Education Center (up \$390,590), and 7) funding from Jefferson Parish for the sidewalk project (down \$150,000).

Taxes include sales taxes for general operations and law enforcement, as well as franchise taxes from various utility and cable companies. This revenue was up \$13,567, due to changes in sales taxes (up \$14,908) and franchise fee revenues (down \$(1,341)).

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 down \$(68,097), mostly due to a decrease in fees from the Boomtown Belle Casino boarding fee (caused by the closure of the casino for a period of time under the State-mandated stay-at-home order in April and May 2020).

Unrestricted interest was down \$(11,829) as less funds were on hand during the year earning interest for the Town.

Insurance Proceeds and **Miscellaneous Revenues** were up (down) \$(20,000) and \$5,660, respectively. Insurance proceeds were down due to the non-recurrence of an insurance claim received in the prior year.

Expenses totaled \$2,497,498 for 2020, a decrease of \$(196,638). The **General Government Function** was up \$36,758 due to an increase in pension expense (up \$16,068) and a drop in depreciation expense (down \$4,882), offset by an increase in operating expenditures of \$38,365 (primarily in retirement costs, insurance, and legal-magistrate costs). **Public Safety** costs went up \$46,828 due to an increase in salaries and benefits (up \$9,332), an increase in police supplies (up \$6,863) and in Victim’s Assistance Grant expenses (up \$40,717), offset by a drop in Redflex collection fees (down \$5,451). **Public Works** were up \$7,374, mostly in road supplies. **Urban Development and Housing Function** was down \$(317,627) due mainly to 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** decreased \$(3,981) due to a drop in special event costs (as events such as dances and social events were cancelled due to the pandemic). **Intergovernmental** was up \$35,000 due to a transfer made to the Lafitte Area Independent Levee District to pay for a portion of a truck.

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, 2020, the Town’s governmental funds reported combined ending fund balances of \$1,016,229, a decrease of \$(336,016) from the prior year. \$97,643 or 9.6% is classified as *non-spendable fund balance*, and the balance of \$918,586 or 90.4% is classified as *unassigned fund balance*, which is available for spending at the Town’s discretion. This amount is a net of the General Fund’s *unassigned fund balance* of \$1,056,672 and the Capital Projects fund’s *unassigned fund balance* of \$(138,086) at year-end.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2020

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, 2020, governmental revenues totaled \$2,920,054. Of this amount, \$1,438,095 was recorded in the General Fund and \$1,481,959 was in the Capital Projects Fund. While the General Fund revenues are derived from various sources, the Capital Projects Fund revenues are mostly federal, state or parish/local grants.

The **General Fund** is the Town's chief operating fund. At year end, total fund balance was \$1,154,315. Unassigned fund balance of the General Fund totaled \$1,056,672, which is 104.0% 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 2020, the unassigned fund balance equaled 62.9% of the current year expenditures of the fund (down from 66.1% last year).

The General Fund's revenues totaled \$1,438,095 for 2020.

- Taxes totaled \$356,176, including sales taxes of \$267,575 and franchise taxes of \$88,601. In total, this was an increase of \$13,568 or 4.0% over last year (mostly in sales taxes).
- Intergovernmental revenues totaled \$426,413, including \$204,101 from federal grants, \$189,591 from state grants and allocations, and \$32,721 from parish/local grants. In total, this was a decrease of \$(230,414) or 35.1% 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 FEMA Public Assistance grants, offset by increases in Victims Assistance Grants and in CARES Act Funding related to the pandemic. Parish grants for tourism was up \$5,000 and a grant for security cameras was up \$10,000.
- Licensees and permits totaled \$61,839, which was a decrease of \$(8,483) or 12.1% from last year, mostly in occupational licenses and building permits.
- Service charges, rentals and fees totaled \$101,555. In total, this was a decrease of \$(24,313) or 19.3% from last year (mostly due to facility rentals dropping due to state-mandated closures and restrictions related to the COVID-19 pandemic). The Town did receive royalties of \$4,255, which was new.
- Fines and forfeitures totaled \$157,882, which was a decrease of \$(19,725) or 11.1% from last year (due to a drop in fines during the State-mandated stay-at-home order in late spring caused by the pandemic).
- Gaming fees and commissions totaled \$276,168, including \$275,290 from the Boomtown Casino boarding fees and \$878 from video poker allocations. In total, this was a decrease of \$(68,097) or 19.8% from last year. Boomtown dropped \$(68,975) due to a decrease in fees from the Boomtown Belle Casino boarding fee (caused by the closure of the casino for a period of time under the State-mandated stay-at-home order in April and May 2020). Video Poker was up as the State corrected the error noted last year which erroneously sent the Town's allocation to the Parish.
- Interest income was down \$(11,829) or 41.5% as available investible cash balances decreased.
- Other income totaled \$41,376, which is down \$(56,816) or 57.9%, mainly from 1) a drop of \$(20,000) in insurance proceeds, 2) a decrease of \$(38,350) in special events (as the Town cancelled several dances and social events at the Auditorium and Seafood Market due to state-mandated restrictions related to the pandemic), and 3) an increase of \$5,657 in miscellaneous revenues.

Expenditures of the General Fund totaled \$1,679,195, which was \$(296,618) or 15.0% less than last year. The largest changes were seen in General Government Function which saw changes in general and administrative costs (up \$38,267 - due to various increases and decreases in several line-items - auditing, auto and truck costs, contract labor, emergency costs (including COVID-19 supplies), insurance, janitorial, legal costs, official journal costs, repairs and maintenance, and utilities). The Public Safety function went up \$51,461 due to increases in officer salaries, police supplies, and Victims Assistance Grant expenditures. These increases were offset by a slight drop in Redflex collection fees (as the traffic camera was shut down for a period during the pandemic). The Public Works Function was up \$7,375 due an increase in road maintenance costs. The Urban Planning and Housing Function was down \$(317,627) as the CDBG Housing Assistance project wrapped up early in the year.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2020

The Culture and Recreation Function was down \$(3,941) due to decreases in special events (as the Town cancelled several dances and social events due to the pandemic). Intergovernmental costs were up \$35,000 to record a transfer to the Lafitte Area Independent Levee District. Debt Service was down \$(80,574) as the Town paid off the balance of the FEMA loan in the prior year. Finally, capital outlay went down \$(26,677) as the Town purchased security cameras in the prior year for \$30,426 and only purchased marine radios in the current year for \$3,749.

The **Capital Projects Fund** incurred \$1,576,875 on various construction projects, including the CDBG-Hurricane Isaac drainage project for improvements, the new Lafitte Sidewalk Beautification project, the Town Hall retrofit project, and the CDBG-Wetlands Education Center project. This included \$485,271 in architect fees, \$1,089,443 in construction costs, and \$2,161 in other expenditures. \$1,481,959 was recognized as revenue from various grants. The General Fund also transferred \$1,439 to this fund to help cover costs on one project.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were decreased \$(25,444) to reflect 1) an increase of \$18,500 in taxes, 2) an increase of \$112,051 in intergovernmental revenues (primarily for an increase in CDBG grants of \$82,551, an increase of \$28,000 in Victims Assistance Grants, an increase of \$2,500 for CARES Act funding, an increase of \$4,000 from the State's Parish Transportation Fund allocation, and a net decrease of \$(5,000) from Parish grants), 3) a decrease of \$(33,945) in service charges, rentals and fees (primarily in facility rentals due to COVID-19 closures), 4) a decrease of \$(47,250) in fines and forfeitures (due to a drop in fines during the COVID-19 stay at home period), 5) a decrease of \$(68,000) in gaming fees and commissions (due to the closure of the local casino during the COVID-19 stay at home order), 6) an increase of \$12,000 in interest income (due to higher cash balances), and 7) a decrease of \$(19,350) in other income (mainly due to a decrease in special events of \$(28,500) due to the cancellation of various events due to the pandemic, offset by an increase of \$11,000 in miscellaneous income).

Budgeted expenditures of the General Fund were increased \$192,013 in total. General Government costs increased \$25,963 mostly due to 1) a decrease of \$(12,150) in salaries and benefits (related to a drop in salaries and an increase in retirement costs), 2) an increase of \$6,000 in accounting and audit fees, 3) a drop of \$(6,000) in auto and truck fees (due to fewer repairs since the purchase of a new truck), 4) an increase of \$43,000 in legal fees (related to ongoing construction litigation), 5) a decrease of \$(33,000) in repairs and maintenance (mainly due to fewer repairs needed as facilities have been closed in the second half of the year due to the COVID-19 pandemic), 6) an increase of \$19,000 in utilities (due to rising costs), and 7) an increase of \$5,000 in the official journal line-item due to additional advertising needed for the construction projects. Public Safety increased \$21,500 due to 1) an increase of \$28,000 in Victims Assistance Grant costs, 2) a drop of \$(16,000) in Redflex collection fees (due to traffic cameras being turned off for a part of the pandemic in the Spring), and 3) an increase of \$7,000 in police supplies. Urban Development and Housing went up \$86,000 to account for some closing costs in the CDBG Housing Assistance grant program that was wrapping up from prior years. Intergovernmental increased \$35,000 to reflect a transfer to the Grand Isle Independent Levee District.

The Town's General Fund actual revenues were over the budget by \$85,489 or 6.3%. This is principally due to the Town collecting more than expected on the CARES Act funding (\$61,122 over budget), the Redflex ticket system (over budget by \$14,048), and the Boomtown gaming fees (\$7,290 over budget). The Town's general fund actual expenditures were over budget by \$47,107 or 2.9%. The General Government Function was over budget by \$32,709, primarily in salaries, insurance, legal costs, and repairs and maintenance. The Public Safety Function was \$9,988 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 \$3,764 over budget due to tourism costs coming in 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, 2020.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2020

Capital Assets, Net		
Governmental Activities		
June 30,		
	2020	2019
Land	\$ 690,985	\$ 690,985
Land Improvements	224,521	244,698
Buildings	18,806,889	19,310,818
Building Improvements	1,141,977	1,155,957
Furniture, Fixtures, and Equipment	258,338	286,835
Vehicles and Heavy Equipment	55,648	65,733
Infrastructure (Roads and Drainage)	7,786,554	7,934,904
Construction in Progress	3,861,799	2,347,346
Net Investment in Capital Assets	<u>\$ 32,826,711</u>	<u>\$ 32,037,276</u>

The majority of the capital additions for the year were for furniture and fixtures (marine radio) and construction in progress as the Town continues to make capital improvements for drainage, sidewalks, the Town Hall retrofit, and the Wetlands Education Center. Depreciation expense for the year ended June 30, 2020 was \$791,189, as compared to \$801,527 for the year ended June 30, 2019.

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 \$541,747. This represents the Town’s proportionate share of the Net Pension Liabilities of the Municipal Employees’ Retirement System (\$541,747) and the Municipal Police Employees’ Retirement System (\$0-). Under GASB Statement No. 68, the Town recognizes its share of the pension liabilities on its government-wide financial statements. This liability saw a decrease in the current year (down \$2,566) due to slightly higher than expected earnings, along with changes in assumptions, changes in proportionate share, changes in experience, etc.

ECONOMIC OUTLOOK

- The unemployment rate for the Parish of Jefferson is currently 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 program of drainage/sidewalk improvements and construction projects, most of which are being funded through Federal, State and Parish/Local grants. These construction projects include the CDBG drainage improvements in the Town, 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.

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, 2020**

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 64,323
Investments	468,122
Receivables	590,664
Prepaid items	97,643
Total current assets	<u>1,220,752</u>
Capital Assets, net of depreciation	<u>32,826,711</u>
Total Assets	<u>34,047,463</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension-related	<u>139,628</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	152,879
Salaries and benefits payable	28,646
Unearned revenues	3,573
Total Current Liabilities	<u>185,098</u>
Non-Current Liabilities:	
Net pension liability	<u>541,747</u>
Total Liabilities	<u>726,845</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension-related	<u>36,608</u>
NET POSITION	
Net investment in capital assets	32,826,711
Restricted for capital projects	-
Unrestricted	596,927
Total Net Position	<u>\$ 33,423,638</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, 2020

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 64,323	\$ -	\$ 64,323
Investments	468,122	-	468,122
Receivables	196,641	394,023	590,664
Due from other funds	427,036	-	427,036
Prepaid items	97,643	-	97,643
Total Assets	<u>\$ 1,253,765</u>	<u>\$ 394,023</u>	<u>\$ 1,647,788</u>
LIABILITIES			
Accounts payable	\$ 47,806	\$ 105,073	\$ 152,879
Salaries and benefits payable	28,646	-	28,646
Due to other funds	-	427,036	427,036
Unearned grant revenues	3,573	-	3,573
Total liabilities	<u>80,025</u>	<u>532,109</u>	<u>612,134</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable grant revenue	<u>19,425</u>	<u>-</u>	<u>19,425</u>
FUND BALANCES			
Non-spendable	97,643	-	97,643
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,056,672	(138,086)	918,586
Total fund balances	<u>1,154,315</u>	<u>(138,086)</u>	<u>1,016,229</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,253,765</u>	<u>\$ 394,023</u>	<u>\$ 1,647,788</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, 2020

Total fund balances at June 30, 2020 - Governmental Funds	\$ 1,016,229
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Some of the grants receivable are not available to pay for current period expenditures and, therefore, are reported as deferred inflows (unavailable grant revenues) in the fund financial statements.	19,425
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets	49,159,500
Less accumulated depreciation	(16,332,789)
Deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred and expensed as consumed.	
Deferred outflows - pension-related	139,628
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	(541,747)
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	(36,608)
Net position of governmental activities at June 30, 2020	<u>\$ 33,423,638</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, 2020

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 356,176	\$ -	\$ 356,176
Intergovernmental			
Federal	204,101	1,481,959	1,686,060
State	189,591	-	189,591
Parish/local	32,721	-	32,721
Licenses and permits	61,839	-	61,839
Service charges, rentals and fees	101,555	-	101,555
Fines and forfeitures	157,882	-	157,882
Gaming fees and commissions	276,168	-	276,168
Interest	16,686	-	16,686
Other	41,376	-	41,376
Total Revenues	<u>1,438,095</u>	<u>1,481,959</u>	<u>2,920,054</u>
EXPENDITURES			
Current:			
General government	1,202,222	-	1,202,222
Public safety	252,988	-	252,988
Public works	8,053	-	8,053
Urban development and housing	85,919	-	85,919
Culture and recreation	91,264	-	91,264
Intergovernmental	35,000	-	35,000
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	3,749	1,576,875	1,580,624
Total Expenditures	<u>1,679,195</u>	<u>1,576,875</u>	<u>3,256,070</u>
Excess of Revenues over Expenditures	(241,100)	(94,916)	(336,016)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,439	1,439
Transfers out	(1,439)	-	(1,439)
Total Other Financing Sources (Uses)	<u>(1,439)</u>	<u>1,439</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(242,539)	(93,477)	(336,016)
FUND BALANCES			
Beginning of year	1,396,854	(44,609)	1,352,245
End of year	<u>\$ 1,154,315</u>	<u>\$ (138,086)</u>	<u>\$ 1,016,229</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, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$	(336,016)
<p>Amounts reported for governmental activities in the Statement of Net Activities are different because:</p> <p>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.</p>		
Capital Outlay	\$	1,580,624
Depreciation Expense		<u>(791,189)</u>
		789,435
<p>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:</p>		
Current year pension (expense) benefit per the retirement systems		(103,274)
Current year amortization of certain deferred inflows and outflows		218
Recognition of On-Behalf Payments made to pension plan by non-employer entities		8,320
Deferral of current year pension contributions made by employer		72,193
Changes in Net Position of Governmental Activities	<u>\$</u>	<u>430,876</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, 2020

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, 2020

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, 2020

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, 2020 would not be material to the financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

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, 2020 would not be material to the financial statements.

8. LONG-TERM DEBT

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

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

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

10. FUND EQUITY

In accordance with GASB Codification Section 1800, 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, 2020

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.

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Budget Adoption

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

B) Budget Amendments

The Town made supplemental budgetary adjustments during the year, the final one being made via Ordinance No. 504. Revenues of the General Fund were decreased \$(25,444) to reflect 1) an increase of \$18,500 in taxes, 2) an increase of \$112,051 in intergovernmental revenues (primarily for an increase in CDBG grants of \$82,551, an increase of \$28,000 in Victims Assistance Grants, an increase of \$2,500 for CARES Act funding, an increase of \$4,000 from the State’s Parish Transportation Fund allocation, and a net decrease of \$(5,000) from Parish grants), 3) a decrease of \$(33,945) in service charges, rentals and fees (primarily in facility rentals due to COVID-19 closures), 4) a decrease of \$(47,250) in fines and forfeitures (due to a drop in fines during the COVID-19 stay at home period), 5) a decrease of \$(68,000) in gaming fees and commissions (due to the closure of the local casino during the COVID-19 stay at home order), 6) an increase of \$12,000 in interest income (due to higher cash balances), and 7) a decrease of \$(19,350) in other income (mainly due to a decrease in special events of \$(28,500) due to the cancellation of various events due to the pandemic, offset by an increase of \$11,000 in miscellaneous income).

Expenditures increased \$192,013. The most significant of the changes made are described below.

Fund/Function	Original Budget	Amendments	Final Budget
General Governmnet	\$ 1,143,550	\$ 25,963	\$ 1,169,513
Public Safety	221,500	21,500	243,000
Public Works	750	6,500	7,250
Urban Development and Housing	-	86,000	86,000
Culture and Recreation	74,275	13,225	87,500
Intergovernmental	-	35,000	35,000
Capital Outlay	-	3,825	3,825
	<u>\$ 1,440,075</u>	<u>\$ 192,013</u>	<u>\$ 1,632,088</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

General Government costs increased \$25,963 mostly due to 1) a decrease of \$(12,150) in salaries and benefits (related to a drop in salaries and an increase in retirement costs), 2) an increase of \$6,000 in accounting and audit fees,, 3) a drop of \$(6,000) in auto and truck fees (due to fewer repairs since the purchase of a new truck), 4) an increase of \$43,000 in legal fees (related to ongoing construction litigation), 5), a decrease of \$(33,000) in repairs and maintenance (mainly due to fewer repairs needed as facilities have been closed in the second half of the year due to the COVID-19 pandemic), 6) an increase of \$19,000 in utilities (due to rising costs), and 7) an increase of \$5,000 in the official journal line-item due to additional advertising needed for the construction projects.

Public Safety increased \$21,500 mostly due to 1) an increase of \$28,000 in Victims Assistance Grant costs, 2) a drop of \$(16,000) in Redflex collection fees (due to traffic cameras being turned off for a part of the pandemic in the Spring), and 3) an increase of \$7,000 in police supplies.

Urban Development and Housing went up \$86,000 to account for some closing costs in the CDBG Housing Assistance grant program that was wrapping up from prior years.

Intergovernmental increased \$35,000 to reflect a transfer to the Grand Isle Independent Levee District.

C) Expenditures in Excess of Budget

The General Fund's actual expenditures were more than the final budget by \$53,107. While the General Fund expenditures were within 3.3 percent of budget in total, the following functions had expenditures in excess of budget.

Function	Actual Costs	Budget	Excess
General Government	\$ 1,202,222	\$ 1,169,513	\$ 32,709
Public Safety	252,988	243,000	9,988
Public Works	8,053	7,250	803
Culture and Recreation	91,264	87,500	3,764

The General Government Function was over budget in salaries and benefits due to higher costs than expected, and in general and administrative costs, mostly in legal fees and repairs and maintenance. Legal fees were over budget due to end of year accruals related to invoices on the outstanding construction disputes. 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 Culture and Recreation Function was over budget in tourism costs (mainly due to end of year accruals being larger 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 \$(138,086). 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A) Cash

At June 30, 2020, the carrying amount of the Town’s cash deposits was \$64,323 and the bank balance was \$50,245, 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, 2020 consist of \$468,122 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 I50. 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.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2020 consist of the following:

Receivable	General Fund	Capital Projects Fund	Total
Taxes	\$ 41,834	\$ -	\$ 41,834
Service charges and fees	5,085	-	5,085
Intergovernmental			
Federal - FEMA	19,425	-	19,425
Federal - Other	74,926	394,023	468,949
State	23,246	-	23,246
Licenses and permits	11,589	-	11,589
Fines and forfeitures	6,684	-	6,684
Gaming	13,596	-	13,596
Interest	6	-	6
Other	250	-	250
	<u>\$ 196,641</u>	<u>\$ 394,023</u>	<u>\$ 590,664</u>

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 4 – RECEIVABLES (CONTINUED)

The \$74,926 receivable from Federal – Other in the General Fund is related to two grants (CARES Act and Victim’s Assistance). The \$394,023 in the Capital Projects Fund, is made up of \$358,101 due on the CDBG Disaster Recovery – Hurricane Isaac Drainage Project, \$14,984 due from CDBG on the Wetland Education Center project, and \$20,938 due from LA Department of Transportation and Development (DOTD) on the Lafitte Sidewalk Project (See Note 5 for information on capital projects).

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the governmental funds for the year ended June 30, 2020 was as follows:

	Balance 6/30/2019	Additions	Deletions	Transfers	Balance 6/30/2020
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 690,985	\$ -	\$ -	\$ -	\$ 690,985
Construction in progress	2,347,346	1,576,875	-	(62,422)	3,861,799
Total capital assets not being depreciated	<u>3,038,331</u>	<u>1,576,875</u>	<u>-</u>	<u>(62,422)</u>	<u>4,552,784</u>
Capital assets being depreciated:					
Land improvements	465,835	-	-	-	465,835
Buildings	24,614,278	-	-	-	24,614,278
Building improvements	2,113,982	-	-	62,422	2,176,404
Furniture, fixtures, and equipment	786,742	3,749	-	-	790,491
Vehicles and heavy equipment	520,717	-	-	-	520,717
Infrastructure (roads/drainage)	16,038,991	-	-	-	16,038,991
Total capital assets being depreciated	<u>44,540,545</u>	<u>3,749</u>	<u>-</u>	<u>62,422</u>	<u>44,606,716</u>
Less accumulated depreciation for:					
Land improvements	(221,137)	(20,177)	-	-	(241,314)
Buildings	(5,303,460)	(503,929)	-	-	(5,807,389)
Building improvements	(958,025)	(76,402)	-	-	(1,034,427)
Furniture, fixtures, and equipment	(499,907)	(32,246)	-	-	(532,153)
Vehicles and heavy equipment	(454,984)	(10,085)	-	-	(465,069)
Infrastructure (roads/drainage)	(8,104,087)	(148,350)	-	-	(8,252,437)
Total accumulated depreciation	<u>(15,541,600)</u>	<u>(791,189)</u>	<u>-</u>	<u>-</u>	<u>(16,332,789)</u>
Capital assets being depreciated, net					
Land improvements	244,698	(20,177)	-	-	224,521
Buildings	19,310,818	(503,929)	-	-	18,806,889
Building improvements	1,155,957	(76,402)	-	62,422	1,141,977
Furniture, fixtures, and equipment	286,835	(28,497)	-	-	258,338
Vehicles and heavy equipment	65,733	(10,085)	-	-	55,648
Infrastructure (roads/drainage)	7,934,904	(148,350)	-	-	7,786,554
Total capital assets being depreciated, net	<u>28,998,945</u>	<u>(787,440)</u>	<u>-</u>	<u>62,422</u>	<u>28,273,927</u>
Total Governmental Activities					
capital assets, net	<u>\$ 32,037,276</u>	<u>\$ 789,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,826,711</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the functions of the governmental activities in 2020 as follows:

Function	
General Government	\$ 94,577
Public Safety	816
Public Works	252,202
Culture and Recreation	443,594
	<u>\$ 791,189</u>

Construction in progress at June 30, 2020 consisted of the following projects:

Project	Construction In Progress	Expended During 2020
Auditorium Demolition and Construction	\$ -	\$ -
CDBG Disaster Recovery Drainage Projects:		
Hurricane Isaac Drainage Improvements	2,606,073	891,410
Lafitte Sidewalk Beautification	865,136	289,120
Town Hall Retrofit (Hazard Mitigation)	-	5,755
Wetlands Education Center	390,590	390,590
	<u>\$ 3,861,799</u>	<u>\$ 1,576,875</u>

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

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

A CDBG Disaster Recovery Grant paid for various street drainage projects throughout the Town in prior years. During 2020, the Town continued work under a CDBG Disaster Recovery Grant to pay for Hurricane Isaac-related drainage improvements in the area. The grant is for \$2,500,000. Total receipts for the year under this grant totaled \$1,608,830, with \$1,075,521 having been accrued as revenue in the prior year. The Town incurred planning and architectural costs of \$891,410 during 2020, bringing the project-to-date costs to \$2,606,073. The current year costs have been added to construction in progress. Of the current year costs, \$533,309 was received under the grant during the year and \$358,101 has been accrued as receivable at year end. The total amount of \$891,410 has been recognized as revenue in the Capital Projects Fund. Reimbursement requests have been submitted and the funds have been received subsequent to year end. This project continues.

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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

These projects are being funded with federal funding through the Louisiana Department of Transportation and Development (which covers 95% of construction costs), a grant from the Regional Planning Commission, local funding from the Parish, and a local match from the Town. During 2020, costs of \$289,120 were added to construction in progress, bringing the total project costs-to-date to \$865,136. During the year, \$174,705 was received under the grant and an additional \$34,800 was accrued as receivable at year end, bringing the total grant revenues to \$209,505 for the year. Total receipts came to \$436,009 for this project (\$100,000 from Jefferson Parish and \$336,009 from the DODT Grant, however, \$361,304 was accrued as revenue in the prior year). Reimbursement requests have been submitted and the funds have been received subsequent to year end. This project continues.

The Town Hall Retrofit project involved outfitting the Town Hall with hurricane proof window panels and roll-down panels over its doors in order to “harden” the building from wind damage. This project is being funded with a Hazard Mitigation grant from FEMA. During 2020, the Town incurred architectural and construction costs of \$5,755, bringing the project-to-date costs to \$62,422. Of this amount, \$46,817 has been received (75%) and the balance has been transferred from the General Fund as a local match. (\$1,439 for 2020). The project was completed in October 2019 and the \$62,422 of improvements were transferred to fixed assets during 2020.

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), State Capital Outlay funds (\$700,000 for construction), and Parish funds (for design and construction). In total, the project is estimated to cost \$3,425,000. For 2020, the Town spent \$390,590 on architecture and design work. This amount has been added to construction in progress. Of this amount, \$390,590 has been submitted under the NDR grant from HUD/CDBG. During 2020, \$375,606 has been received and another \$14,984 has been accrued as receivable at year end. The total revenues of \$390,590 have been recognized in the Capital Projects Fund. Reimbursement requests have been submitted and 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 \$427,036. 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, 2020

NOTE 6 – INTERFUND TRANSACTIONS (CONTINUED)

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 2020, the General Fund had to make a transfer to the Capital Project Fund for \$1,439 to cover Town/local costs associated with the Town Hall Retrofit project (which represented the Town's 25% match on the project costs). The Transfers In/out are shown on the fund financial statements as an operating transfer in/out. It should be noted that these amounts are eliminated in the conversion to the government-wide financial statements.

NOTE 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, 2020, the Town reported \$97,643 in the non-spendable category to reflect that the assets in prepaid items that are not in spendable form. The remaining balance of \$918,586 is categorized as unassigned fund balance - \$1,056,672 in the General Fund and a deficit in unassigned fund balance of \$(138,086) in the Capital Projects Fund.

NOTE 8 - SALES TAXES

For the year ended June 30, 2020, 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 8 - SALES TAXES (CONTINUED)

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 2020, these taxes generated \$231,456, 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 2020, this tax generated \$36,119.

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 generated \$64,650 in lease income during 2020.

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 2020, 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. Due to the closure of the gymnasium in late March 2020 by Executive Order of the Governor's Office because of the COVID-19 pandemic, the Town agreed to waive three months of lease fees due. For 2020, the Town recognized only \$11,700 in lease income out of a possible \$15,600 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 2020, the Town recognized \$1,250 in lease income under this lease. The amount is included in Tourist Center Proceeds.

Minimum lease payments due under each lease is as follows:

Medical Center		Anytime Fitness		Representative's Office	
Fiscal Year	Amount	Fiscal Year	Amount	Fiscal Year	Amount
2021	\$ 18,000	2021	\$ 15,600	2021	\$ 3,000
2022	10,500	2022	15,600	2022	3,000
2023	-	2023	3,900	2023	3,000
2024	-	2024	-	2024	1,500
	<u>\$ 28,500</u>		<u>\$ 35,100</u>		<u>\$ 10,500</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS

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

General Information about the Pension Plans

Plan Descriptions/Benefits Provided

The Municipal System

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

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

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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

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

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

For members hired prior to January 1, 2013, the benefit rates are 3 1/3rd 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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Survivor Benefits

The Municipal System

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

The Police System

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

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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

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

Cost of Living Adjustments

The Municipal System

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

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, 2019, the actuarially determined employer contribution rate was 26.00% for Plan A (the Plan that the Town participates in) and 14.00% for Plan B.

For 2020, the actual employer contribution rate was 27.75% for Plan A, while the employee contribution rate was 9.50%. Employer and employee contributions to Municipal System – Plan A for fiscal year 2020 were as follows:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Source	Amount	(1) Covered Payroll	Percent of Covered Payroll
Employee	\$ 20,539	\$ 216,198	9.50%
Employer	72,193	260,154	27.75%

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

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

The Town's proportionate share of these non-employer contributions totaled \$8,320 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, 2019, the required employer and employee combined contribution rate for was 42.25% - 32.25% 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 32.25% for the employer and 10.00% for the employee. For all Non-Hazardous Duty members hired subsequent to January 1, 2013, the rates were 32.25% 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 34.75% and 7.5%, respectively.

For 2020, the Town did not have any active participants in the Police System. The actual employer contribution rate for 2020 would have been 32.25%, while the employee contribution rate was 10.00%. Employer and employee contributions to Police System for fiscal year 2020 were as follows:

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

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

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

At June 30, 2020, the Town reported a combined liability of \$541,747 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System and the Police System. The amount for each plan was \$541,747 and \$-0-, respectively. The NPL for each system was measured as of June 30, 2019, 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 a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2019, the most recent measurement date, the Town's proportionate share for each system was:

	The Municipal System	The Police System
Town's Proportionate Share	0.129646%	0.000000%
Decrease from prior year	-0.001809%	0.000000%

For the year ended June 30, 2020, the Town recognized a total pension expense (benefit) of \$103,056, with \$126,583 related to the Municipal System and \$(23,527) 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	\$ 101,837	\$ -
Town's amortization of its change in proportionate share	25,060	(23,623)
Town's amortization of actual contributions over its proportionate share of contributions	(314)	96
Total Pension Expense (Benefit) Recognized by Town	\$ 126,583	\$ (23,527)

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

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
<u>The Municipal System</u>		
a) Differences between expected and actual experience	\$ -	\$ 13,217
b) Net change in assumptions	13,691	-
c) Net difference between projected and actual earnings on pension plan investments	53,731	-
d) Changes in proportion to NPL	-	9,158
e) Differences between the Town's contributions and its proportionate share of contributions	13	925
f) Town's contributions subsequent to the June 30, 2019 measurement date	72,193	-
	<u>\$ 139,628</u>	<u>\$ 23,300</u>
<u>The Police System</u>		
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	-	13,308
e) Differences between the Town's contributions and its proportionate share of contributions	-	-
f) Town's contributions subsequent to the June 30, 2019 measurement date	-	-
	<u>\$ -</u>	<u>\$ 13,308</u>
Grand Total	<u>\$ 139,628</u>	<u>\$ 36,608</u>

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date (June 30, 2019) totaled \$72,193 (\$72,193 for the Municipal System and \$-0- for the Police System). These amounts will be recognized as a reduction of the NPL in the year ending June 30, 2020. It should be noted that there are no active employees currently participating in the Police Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount of Amortization	
	The Municipal System	The Police System
2021	\$ (22,958)	\$ 13,308
2022	(10,074)	-
2023	(6,596)	-
2024	(4,507)	-
	<u>\$ (44,135)</u>	<u>\$ 13,308</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each system in the respective June 30, 2019 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, 2019	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.000%, net of investment expense	7.125%
Inflation Rate	2.500%	2.500%
Projected Salary Increases	4.50% to 6.40% (depending on years of service)	4.25% to 9.75% (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	RP-2000 Combined with Blue Collar Adjustment Sex Distinct Tables (set back 1 yr for females) projected to 2029 by scale AA
Mortality Rates - Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scales	RP-2000 Disabled Lives Table (set back 5 yrs for males and 3 yrs for females)
Mortality Rates - Other	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective MP2018 scales	RP-2000 Employee Table (set back 4 yrs for males and 3 yrs for females)
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, 2020

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	50.0%	2.15%
Public Fixed Income	35.0%	1.51%
Alternative Investments	15.0%	0.64%
Other	0.0%	0.00%
Totals	100.0%	4.30%
Inflation		2.70%
Expected Arithmetic Rate of Return		7.00%
<u>The Police System</u>		
Public Equity	48.5%	3.28%
Public Fixed Income	33.5%	0.80%
Alternative Investments	18.0%	1.06%
Other	0.0%	0.00%
Totals/Average	100.0%	5.14%
Inflation		2.75%
Expected Arithmetic Rate of Return		7.89%

Discount Rate. The discount rate used for both the Municipal System was 7.000% and 7.125% for the Police System. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system's actuary.

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

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

<u>The Municipal System</u>	<u>1.0% Decrease 6.000%</u>	<u>Current Discount Rate 7.000%</u>	<u>1.0% Increase 8.000%</u>
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ 706,341	\$ 541,747	\$ 402,588

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

The Police System

	1.0% Decrease 6.125%	Current Discount Rate 7.125%	1.0% Increase 8.125%
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 2019 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, 2020, the Town had payables to the pension plans totaling \$8,166 (\$8,166 to the Municipal System and \$-0- to the Police System) for the June 2020 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 is involved in some disputes that require disclosure.

The Town is in a dispute with the general contractor (contractor) on the Auditorium project and it has withheld \$272,500 in liquidated damages and punch list items from billings. The amount withheld has not been accrued as a payable since the Town contends that the contractor caused delays and that punch list items needed to be fixed. The liquidated damages were withheld as allowed by the contract. The contractor filed a claim against the consulting engineers, who were assisting the Town in designing and managing the project, and the Town. The Contractor is seeking damages totaling over \$1.6 million. The Town has asserted a reconventional claim against the contractor for damages caused by construction defects and delays and a third-party claim against the consulting engineers for improper design and management of the project. The consulting engineers have filed a reconventional demand against the Town for unspecified damages to the alleged difficulty in managing the contract. A trial was set for the dispute in July 2020; however, it has been continued. A status conference will not be held until February 2021 to set a new trial date.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Town is also in a dispute with the general contractor (contractor) on the CDBG Hurricane Isaac Drainage Improvements Project and it has withheld \$137,000 in liquidated damages, as allowed under the contract for construction delays and deficiencies. The amount withheld has not been accrued as a payable since the Town contends that the contractor caused delays and that punch list items needed to be fixed. The contractor seeks approximately \$300,000, including the withheld liquidated damages of \$137,000. The dispute is currently in mediation.

C) Federal Assistance – Public Disaster Assistance

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

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

Hurricane Katrina (1603-DR-LA)

The Town was affected by Hurricane Katrina in August 2005. To date, claims totaling \$2,553,291 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$1,769,646 has been obligated by FEMA. The Town's share of the approved claims was -0- percent. To date, \$1,931,155 has been authorized plus an additional \$30,278 of administrative costs, for a total of \$1,961,433. This amount is greater than the obligated amounts because of the estimated insurance proceeds used in calculating the original payments. To date, the Town has received \$1,950,065 from FEMA, with the balance due of \$11,368 being accrued at year-end in the General Fund. There was no 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, \$1,309,949 has been obligated by FEMA. The Town's share of the approved claims was 10 percent in some cases for a total of \$51,411. To date, \$1,258,538 has been authorized for payment. There was no activity on these disaster during the year. The Town is awaiting completion and close-out of two project by FEMA related to this disaster.

Hurricane Isaac (4080-DR-LA)

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 2020, 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 2019. Application was filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program for disaster assistance. To date, no projects have been approved and no funds have been obligated to the Town.

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.

D) Urban Development and Housing Project Commitment

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

During 2020, the Town expended \$85,919 on this project, bringing the total-to-date expenditure to \$1,790,237. During 2020, the Town received \$86,749, bringing the total revenues to date figure to \$1,793,810. The difference between the revenues and expenditures is \$(3,573). This amount is recorded on the balance as unearned grant revenues on the General Fund Balance Sheet as well as the Statement of Net Position at year end. This is the balance left from the original advance of \$217,500 that has yet to be spent.

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.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2020 and December 31, 2020. Through June 30, 2020, the Town submitted costs of \$73,338, of which, \$9,716 was deemed ineligible. The balance of \$63,622 was approved for reimbursement.

As of June 30, 2020, \$0- has been received and \$63,622 has been accrued as accounts receivable in the General Fund at year end. Reimbursement requests have been submitted and the funds have been received within 60 days subsequent to year end. As additional costs are incurred, they will be submitted for reimbursement. The Town does not expect any additional ineligible costs at this time.

NOTE 12 – SUBSEQUENT EVENTS

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. 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.

NOTE 13 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

As of June 30, 2020, 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. 84 (GASB 84)**
The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
- **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, 2020.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020

NOTE 13 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

- **Governmental Accounting Standards Board Statement No. 90 (GASB 90)**
The GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, in August 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- **Governmental Accounting Standards Board Statement No. 91 (GASB 91)**
The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.
- **Governmental Accounting Standards Board Statement No. 92 (GASB 92)**
The GASB issued Statement No. 92, *Omnibus 2020*, in January 2020. 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 2020. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012	(2) 2011
Town's proportion of the net pension liability (asset)	0.129646%	0.131455%	0.135784%	0.105155%	0.103707%	0.112296%	0.149929%	-	-	-
Town's proportionate share of the net pension liability (asset)	\$ 541,747	\$ 544,313	\$ 568,042	\$ 431,000	\$ 370,458	\$ 288,201	\$ 464,691	-	-	-
Town's covered payroll (CEP)	\$ 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)	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	64.68%	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 LARITTE, LOUISIANA

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

	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012	(2) 2011
Town's contractually required contribution	(3) \$ 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	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)	\$ 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)	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) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012	(2) 2011
Town's proportion of the net pension liability (asset)	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%	334.57%	292.87%	121.59%	154.02%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	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) 2020	(5) 2019	(5) 2018	(5) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012	(2) 2011
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%	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, 2020.

Municipal Police Employee's Retirement System

There were no changes of benefit terms for the year ended June 30, 2020.

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
6/30/2020	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
6/30/2020	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
6/30/2020	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
6/30/2020	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
6/30/2020	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
6/30/2020	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
6/30/2020	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
6/30/2020	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, 2020

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes	\$ 356,176	\$ 363,500	\$ (7,324)	\$ 345,000
Intergovernmental				
Federal	204,101	133,051	71,050	20,000
State	189,591	191,200	(1,609)	187,200
Parish/local	32,721	32,550	171	37,550
Licenses and permits	61,839	65,500	(3,661)	64,950
Service charges, rentals and fees	101,555	97,155	4,400	131,100
Fines and forfeitures	157,882	143,500	14,382	190,750
Gaming fees and commissions	276,168	268,500	7,668	336,500
Interest	16,686	17,000	(314)	5,000
Other	41,376	40,650	726	60,000
Total Revenues	<u>1,438,095</u>	<u>1,352,606</u>	<u>85,489</u>	<u>1,378,050</u>
EXPENDITURES				
Current:				
General government	1,202,222	1,169,513	(32,709)	1,143,550
Public safety	252,988	243,000	(9,988)	221,500
Public works	8,053	7,250	(803)	750
Urban development and housing	85,919	86,000	81	-
Culture and recreation	91,264	87,500	(3,764)	74,275
Intergovernmental	35,000	35,000	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	3,749	3,825	76	-
Total Expenditures	<u>1,679,195</u>	<u>1,632,088</u>	<u>(47,107)</u>	<u>1,440,075</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(241,100)</u>	<u>(279,482)</u>	<u>38,382</u>	<u>(62,025)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,439)	-	(1,439)	-
Total Other Financing Sources (Uses)	<u>(1,439)</u>	<u>-</u>	<u>(1,439)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(242,539)</u>	<u>(279,482)</u>	<u>36,943</u>	<u>(62,025)</u>
FUND BALANCE				
Beginning of year	1,396,854	1,396,854	-	1,441,213
End of year	<u>\$ 1,154,315</u>	<u>\$ 1,117,372</u>	<u>\$ 36,943</u>	<u>\$ 1,379,188</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, 2020

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes				
Sales Taxes	\$ 267,575	\$ 275,000	\$ (7,425)	\$ 252,000
Franchise Taxes	88,601	88,500	101	93,000
Total Taxes	<u>356,176</u>	<u>363,500</u>	<u>(7,324)</u>	<u>345,000</u>
Intergovernmental				
Federal				
FEMA - Public Assistance Grants	-	-	-	-
Victim's Assistance Grants	54,560	48,000	6,560	20,000
CDBG - Housing Assistance Grants	85,919	82,551	3,368	-
CARES Act - COVID 19	63,622	2,500	61,122	-
Total Federal	<u>204,101</u>	<u>133,051</u>	<u>71,050</u>	<u>20,000</u>
State				
Parish Transportation Fund	166,572	168,000	(1,428)	164,000
Beer Tax Allocation	3,019	3,200	(181)	3,200
Senior Citizen Utility Income	20,000	20,000	-	20,000
Total State	<u>189,591</u>	<u>191,200</u>	<u>(1,609)</u>	<u>187,200</u>
Parish/local				
Library Grant	17,721	17,550	171	17,550
Tourism	5,000	5,000	-	20,000
Cameras	10,000	10,000	-	-
Total Parish/Local	<u>32,721</u>	<u>32,550</u>	<u>171</u>	<u>37,550</u>
Total Intergovernmental	<u>426,413</u>	<u>356,801</u>	<u>69,612</u>	<u>244,750</u>
Licenses and permits				
Occupational Licenses	21,873	23,500	(1,627)	25,250
Insurance Premium Fees	28,134	29,500	(1,366)	27,500
Alcoholic Beverage Permits	2,168	2,200	(32)	2,200
Building, Electrical and Plumbing Permits	9,664	10,300	(636)	10,000
	<u>61,839</u>	<u>65,500</u>	<u>(3,661)</u>	<u>64,950</u>
Service charges, rentals and fees				
Facility Rentals	97,300	92,900	4,400	131,100
Royalties	4,255	4,255	-	-
	<u>101,555</u>	<u>97,155</u>	<u>4,400</u>	<u>131,100</u>
Fines and forfeitures				
Fines - Redflex Traffic Systems	3,834	3,500	334	8,750
	<u>154,048</u>	<u>140,000</u>	<u>14,048</u>	<u>182,000</u>
	<u>157,882</u>	<u>143,500</u>	<u>14,382</u>	<u>190,750</u>
Gaming fees and commissions				
Boomtown Boarding Fees	275,290	268,000	7,290	335,000
Video Poker Fees	878	500	378	1,500
	<u>276,168</u>	<u>268,500</u>	<u>7,668</u>	<u>336,500</u>
Interest				
	<u>16,686</u>	<u>17,000</u>	<u>(314)</u>	<u>5,000</u>
Other				
Donations - Other	1,000	1,000	-	-
Insurance Proceeds	-	-	-	-
Special Events and Festivals	21,577	21,500	77	50,000
Tourist Information Proceeds	1,250	-	1,250	250
Artist Proceeds	1,758	1,800	(42)	3,000
Food Bank	-	-	-	500
Senior Citizen Fund	352	350	2	1,250
Miscellaneous	15,439	16,000	(561)	5,000
	<u>41,376</u>	<u>40,650</u>	<u>726</u>	<u>60,000</u>
Total Revenues	<u>\$ 1,438,095</u>	<u>\$ 1,352,606</u>	<u>\$ 85,489</u>	<u>\$ 1,378,050</u>

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020

	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	351,933	345,000	(6,933)	365,000
Retirement	72,193	73,000	807	62,500
Payroll taxes	43,260	42,500	(760)	42,500
Health and life insurance	52,736	52,000	(736)	55,000
Unemployment insurance	1,116	1,600	484	1,250
Workman's compensation insurance	12,549	12,550	1	12,550
	<u>581,787</u>	<u>574,650</u>	<u>(7,137)</u>	<u>586,800</u>
General and Administrative Costs				
Accounting and auditing	57,285	57,250	(35)	51,250
Auto and truck	11,132	11,500	368	17,500
Bank charges	2,679	3,000	321	3,000
Contract labor	2,180	1,750	(430)	-
Consultants	24,000	24,000	-	24,000
Court costs	170	200	30	500
Dues and subscriptions	1,130	1,150	20	500
Emergency response costs - hurricanes	2,696	2,658	(38)	-
Emergency response costs - COVID 19	5,009	2,500	(2,509)	-
Food bank expenditures	-	-	-	500
Insurance	157,338	150,000	(7,338)	150,000
Janitorial	4,852	5,750	898	5,750
Legal - attorney/magistrate	72,994	53,000	(19,994)	10,000
Miscellaneous	3,747	4,000	253	5,500
Office supplies	15,754	16,000	246	12,500
Official journal	7,250	5,500	(1,750)	500
Rentals	936	1,250	314	1,250
Repairs and maintenance	91,281	82,000	(9,281)	115,000
Scholarship program	2,800	3,400	600	4,000
Travel - conventions	4,455	4,455	-	5,000
Travel - other	1,366	1,500	134	5,000
Utilities	151,381	164,000	12,619	145,000
	<u>620,435</u>	<u>594,863</u>	<u>(25,572)</u>	<u>556,750</u>
Total General Government	<u>1,202,222</u>	<u>1,169,513</u>	<u>(32,709)</u>	<u>1,143,550</u>

(Continued)

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<u>Public Safety</u>				
Salaries - officers	139,998	137,500	(2,498)	135,000
Redflex collection fees	43,354	39,000	(4,354)	55,000
Supplies - police	19,519	18,500	(1,019)	11,500
Victims assistance grant costs	50,117	48,000	(2,117)	20,000
Total Public Safety	<u>252,988</u>	<u>243,000</u>	<u>(9,988)</u>	<u>221,500</u>
<u>Public Works</u>				
Road maintenance - supplies	8,053	7,250	(803)	750
Total Public Works	<u>8,053</u>	<u>7,250</u>	<u>(803)</u>	<u>750</u>
<u>Urban Planning and Housing</u>				
CDBG housing assistance program	85,919	86,000	81	-
Total Urban Planning and Housing	<u>85,919</u>	<u>86,000</u>	<u>81</u>	<u>-</u>
<u>Culture and Recreation</u>				
Seafood festival costs	-	-	-	-
Senior Center expenditures	1,117	1,275	158	1,275
Special events - other	58,327	58,500	173	50,000
Tourism costs	30,158	26,000	(4,158)	20,000
Artist costs	1,662	1,725	63	3,000
Total Culture and Recreation	<u>91,264</u>	<u>87,500</u>	<u>(3,764)</u>	<u>74,275</u>
<u>Intergovernmental:</u>				
Lafitte Levee - share of vehicle	35,000	35,000	-	-
Total Intergovernmental	<u>35,000</u>	<u>35,000</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	3,749	3,825	76	-
Vehicles and heavy equipment	-	-	-	-
Total Capital Outlay	<u>3,749</u>	<u>3,825</u>	<u>76</u>	<u>-</u>
Total Expenditures	<u>\$ 1,679,195</u>	<u>\$ 1,632,088</u>	<u>\$ (47,107)</u>	<u>\$ 1,440,075</u>

TOWN OF JEAN LAFITTE, LOUISIANA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - CAPITAL PROJECT FUND
For the Year Ended June 30, 2020**

	Capital Projects Fund
REVENUES	
Taxes	\$ -
Intergovernmental	
Federal	1,481,959
State	-
Parish/local	-
Interest	-
Other	-
Total Revenues	<u>1,481,959</u>
EXPENDITURES	
Capital Outlay	
Land	-
Architect/Engineering	485,271
Construction	1,089,443
Equipment and Fixtures	-
Testing and Other	2,161
Total Expenditures	<u>1,576,875</u>
Excess (Deficiency) of Revenues over Expenditures	(94,916)
OTHER FINANCING SOURCES (USES)	
Transfers in	1,439
Transfers out	-
Total Other Financing Sources (Uses)	<u>1,439</u>
NET CHANGE IN FUND BALANCE	(93,477)
FUND BALANCE	
Beginning of year	(44,609)
End of year	<u>\$ (138,086)</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, 2020

<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 EACH AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2020**

Agency Head Name/Title:	Timothy P. Kerner Mayor		Timothy P. Kerner, Jr. Interim Mayor	
<u>Purpose</u>	Amount		Amount	
Salary	\$	43,956	(1)	\$ 36,044 (1)
Taxes - Federal (Social Security and Medicare)		3,362	(2)	2,776 (2)
Benefits - Retirement		12,198	(3)	10,002 (3)
Benefits - Insurance (Group Health)		8,886	(4)	1,511 (4)
Benefits - Other		-		-
Vehicle Provided by Agency		-	(5)	250 (5)
Per Diem		-		-
Reimbursements		-		-
Travel (meal per diems)		-		-
Travel (gas and parking)		2,108		795
Registration Fees		-		-
Conference Travel		2,944	(6)	632 (6)
Continuing Professional Education Fees		-		-
Housing		-		-
Unvouchered Expenses		-		-
Special Meals		961	(7)	43 (7)

Notes to Schedule:

- (1) The Mayor's salary is set by Town Ordinance. Mayor Kerner was replaced in Jan 2020 by Interim Mayor Timothy Kerner Jr. pending a special election.
- (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 27.75% as contribution to the plan, while the employee is required to pay 9.50%. This amount represents the employer's cost of this contribution for FYE 2020.
- (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 Mayors.
- (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 2020, the amount included in the Mayor's taxable income is shown above.
- (6) Includes travel costs (airfare, hotel, parking, etc.) for the Louisiana Municipal Association's annual conference, travel to Baton Rouge and Washington DC, etc.
- (7) Includes meals related to Town business, including meals at conferences.

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2020

<u>State Source</u>	<u>Amount</u>
Department of the Treasury - Tax/Fee Allocations	
Parish Transportation Funds	\$ 166,572
Beer Tax	3,019
	<u>169,591</u>
Louisiana Office of Community Development	
Senior Citizens Utility Income Assistance	20,000
	<u>20,000</u>
	<u>\$ 189,591</u>

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

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COMPLIANCE SECTION

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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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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
December 21, 2020



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

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Jean Lafitte's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2020. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on of its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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



Metairie, Louisiana
December 21, 2020

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TOWN OF JEAN LAFITTE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2020

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	1603-DR-LA	Project Completion	
Public Disaster Assistance - Rita	97.036	1607-DR-LA	Project Completion	
Public Disaster Assistance - Gustav	97.036	1786-DR-LA	Project Completion	
Public Disaster Assistance - Ike	97.036	1792-DR-LA	Project Completion	
Public Disaster Assistance - TS Lee	97.036	4041-DR-LA	Project Completion	
Public Disaster Assistance - Isaac	97.036	4080-DR-LA	Project Completion	
Pre-disaster Mitigation - Town Hall Retrofit	97.047	EMT-2015-PC-0010(0)	Project Completion	
Total Department of Homeland Security				
Department of Justice				
Passed Through Louisiana Commission on Law Enforcement and/or				
Jefferson Parish Criminal Justice Coordinating Council				
Victim's Assistance Program Grant- 2018	16.575	2014-VA-04/02/01/03-4348	1/1/2019	12/31/2019
Victim's Assistance Program Grant- 2019	16.575	2014-VA-01/02/03/04-5073	1/1/2020	6/30/2021
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	
Community Development Block Grant - National Disaster Resilience - La Wetland Education Ctr	14.272	NDR CDBF-DR-LA-SAFE	Project Completion	
CDBG/Home Investment Partnership Program - Housing Assistance	14.239	Unknown	Project Completion	
Total Department of Housing and Urban Development				
Department of Transportation				
Passed through the Louisiana Department of Transportation and Development				
Highway Planning and Construction Cluster - Lafitte Sidewalk Beautification	20.205	h002263	Project Completion	
Total Department of Transportation				
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:

This Schedule was prepared on the accrual basis of accounting and covers all activity from July 1, 2019 to June 30, 2020. 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, 2020, the Town had outstanding receivables of \$19,425 from FEMA/GOHSEP which were considered "unavailable" and recognized on the Balance Sheet as "deferred inflows". The "current revenues" shown on this schedule reflects the net of current year revenues and the change in prior year receivables/deferred inflows.
- (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) For single audit purposes, these grants will be treated as a "cluster" of programs.
- (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	\$ -	\$ 11,368	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,057	-	8,057	-	-	-	-
19,425	-	19,425	-	-	-	-
42,500	46,816	-	4,316	4,316	-	4,316
61,925	46,816	19,425	4,316	4,316	-	4,316
7,180	44,860	-	37,680	37,680	-	37,680
-	5,576	11,304	16,880	16,880	-	16,880
7,180	50,436	11,304	54,560	54,560	-	54,560
-	-	-	-	-	-	-
1,075,521	1,608,830	358,101	891,410	891,410	-	891,410
-	375,606	14,984	390,590	390,590	-	390,590
1,075,521	1,984,436	373,085	1,282,000	1,282,000	-	1,282,000
(2,743)	86,749	(3,573)	85,919	85,919	-	85,919
1,072,778	2,071,185	369,512	1,367,919	1,367,919	-	1,367,919
261,304	436,009	20,938	195,643	195,643	-	195,643
261,304	436,009	20,938	195,643	195,643	-	195,643
-	-	63,622	63,622	63,622	-	63,622
-	-	63,622	63,622	63,622	-	63,622
\$ 1,403,187	\$ 2,604,446	\$ 484,801	\$ 1,686,060	\$ 1,686,060	\$ -	\$ 1,686,060
\$ 1,403,187	\$ 2,604,446	\$ 484,801	\$ 1,686,060	\$ 1,686,060	\$ -	\$ 1,686,060

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

General Fund	-
Capital Projects Fund	-
Current year revenue	\$ 1,686,060

Recognized in:

General Fund - as current year revenues	\$ 204,101
Capital Project Fund - as current year revenues	1,481,959
	\$ 1,686,060

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TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified Yes No
- Significant deficiency(ies) identified Yes None reported

Noncompliance material to financial statements noted Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified Yes No
- Significant deficiency(ies) identified Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Yes No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee Yes No

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

SECTION II – FINDINGS - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FINDINGS - COMPLIANCE WITH LAWS AND REGULATIONS

None noted.

SECTION IV – FINDINGS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

TOWN OF JEAN LAFITTE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2020

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)