

TOWN OF JEAN LAFITTE

FINANCIAL REPORT

**For the Year Ended
June 30, 2018**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Jean Lafitte (the "Town"), as of and for the year ended June 30, 2018, 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, 2018, 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 on pages 7 through 14, pages 52 through 55, and page 56, respectively, 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 Expenses – Budget to Actual, Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund, Schedule of Town Council's Compensation, Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer, Schedule of State Funding, and Schedule of Expenditures of Federal Awards ("SEFA") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund Schedule of Revenues – Budget to Actual, General Fund Schedule of Expenses – Budget to Actual, Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund, Schedule of Town Council’s Compensation, Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer, Schedule of State Funding, and SEFA are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Our Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

December 31, 2018

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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TOWN OF JEAN LAFITTE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

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, 2018. 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, 2018.
- The assets of the Town exceeded its liabilities at June 30, 2018 by \$31,768,507. Of this amount, \$30,612,020 or 96.4% is invested in capital assets, such as land, buildings, equipment, vehicles and infrastructure. \$30,891 or 0.1% is restricted for capital projects and the remaining balance of \$1,125,596 or 3.5% may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's total net position decreased by \$(649,568) during 2018. The majority of this decrease has to do with expenses outpacing revenues. Depreciation also was a major factor in lowering the net position of the Town as hardly any new long-term assets were acquired and the Auditorium and Seafood Market are now being depreciated after being placed in service last year.
- At June 30, 2018, the Town's governmental funds reported an ending fund balance of \$1,574,053, an increase of \$483,820 over the prior year. This includes \$1,543,162 in the General Fund and \$30,891 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 \$1,455,301 or 92.5% of the total fund balance and 89.3% of current year expenditures in the General Fund.
- 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 \$568,042. 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 \$249,296 and deferred inflows were \$78,832.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2018

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

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

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

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

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

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

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

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

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

Compliance Section. Due to the amount of federal funding, the Town is not 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, the Schedule of Findings and Responses.

**TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position Governmental Activities June 30,				
	2018		2017	
Current and other assets	\$ 1,803,243		\$ 1,741,621	
Capital assets	30,612,020		31,284,799	
Total assets	<u>32,415,263</u>		<u>33,026,420</u>	
Deferred outflows - pension-related	<u>249,296</u>		<u>186,910</u>	
Current liabilities	249,178		221,582	
Non-current liabilities - other	-		-	
Non-current liabilities - pension-related	568,042		496,441	
Total liabilities	<u>817,220</u>		<u>718,023</u>	
Deferred inflows - pension-related	<u>78,832</u>		<u>77,232</u>	
Net Position				
Net investment in capital assets	30,612,020	96.4%	31,284,799	96.5%
Restricted for Capital Projects	30,891	0.1%	-	0.0%
Unrestricted				
Designated	-	0.0%	-	0.0%
Undesignated	1,125,596	3.5%	1,133,276	3.5%
Total net position	<u>\$ 31,768,507</u>	<u>100.0%</u>	<u>\$ 32,418,075</u>	<u>100.0%</u>

The "net investment in capital assets" totals \$30,612,020 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 \$30,891 represents amounts restricted to spending on capital projects. The remaining balance of \$1,125,596 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, 2018

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,		
	2018	2017
Revenues		
Program Revenues:		
Charges for Services	\$ 315,430	\$ 194,344
Operating Grants and Contributions	520,748	280,409
Capital Grants and Contributions	299,090	340,074
General Revenues:		
Taxes	297,395	366,248
Gaming	342,022	349,457
Unrestricted Interest Earnings	8,473	4,287
BP Economic Loss Settlement	-	1,500,000
Insurance Proceeds	-	4,316
Miscellaneous Revenues	30,677	12,169
Total Revenues	1,813,835	3,051,304
Expenses		
General Government	1,335,304	1,235,467
Public Safety	157,281	159,211
Public Works	252,392	267,975
Urban Development and Housing	176,597	13,974
Culture and Recreation	540,544	485,313
Interest on Long-term Debt	1,285	1,285
Total Expenses	2,463,403	2,163,225
Change in Net Position	(649,568)	888,079
Net Position - Beginning	32,418,075	31,529,996
Net Position - Ending	\$ 31,768,507	\$ 32,418,075

Charges for services include licenses and permits, facility rentals, gym membership fees, fines and forfeitures, and special event charges. For 2018, this category was up \$121,086 due to 1) an increase in facility rentals of \$34,220 due to both the Auditorium and the Seafood Market buildings being placed into service and rented out during the year, 2) a decrease of \$(8,589) in licenses and permits (mostly in occupational licenses), 3) an increase of \$89,242 in fines and forfeitures (due to the implementation of traffic cameras in the area), and 4) an increase of \$6,899 in special event revenues (as the Town began hosting dances and social events once more).

Operating grants include state allocations for parish transportation funds, beer taxes, senior citizen utilities grants, on-behalf payments made to the pension plan by non-employer entities, CDBG housing assistance grants, and donations other sources. This category increased \$240,339 compared to the prior year due to 1) a decrease of \$(20,000) in funding from the Parish for advertising, 2) an increase of \$73,246 from the Parish for costs associated with the Seafood Market grand openings, 3) a decrease of \$(4,233) in state parish transportation funds, 4) a decrease of \$(1,891) in operating grants received by the Police Department for JAG grants and Highway Safety grants, 5) an increase of \$162,623 in the JP/CDBG – Home Investment Program, 6) an increase of \$34,749 in tourism grants from the Parish, and 7) a decrease of \$(7,590) in advertising/tourism grants from BP. This CDBG federal program is

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2018

flowing funds through the Town to help elevate or repair a number of houses that were previously damaged by hurricanes. The project got underway in 2015 and made significant progress. Due to delays, there had been little activity in 2016 and 2017; however, construction picked up again in 2018.

Capital Grants include various grants from federal, state and parish/local sources to help fund major construction activity in the Town. This includes CDBG Disaster Recovery Grants, FEMA grants, police equipment grants, State Capital Outlay funds, and miscellaneous grants from the Parish for repairs and improvements. This category was down \$(40,984) from last year due to the following: 1) FEMA disaster funds (up \$37,199), 2) JAG equipment grants (down \$(9,735)), 3) CDBG Disaster Recovery Grants related to the construction of Seafood/Fisherman's Market, the Auditorium, and drainage work in the area (down \$(155,235)), 3) State Capital Outlay money for the Seafood Market (down \$(61,873)), and 4) funding from Jefferson Parish for the auditorium project (up \$148,589).

Taxes include sales taxes for general operations and law enforcement, as well as franchise taxes from various utility and cable companies. This revenue was down \$(68,853) due to decreases in sales taxes (down \$(73,363) offset by slightly higher franchise fee revenues (up \$4,510).

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 \$(7,435) mostly due to a drop in fees from the Boomtown Belle Casino boarding fee.

BP Economic Loss Settlement revenues were down \$(1,500,000) due to the final settlement of the Deepwater Horizon lawsuit received in 2017 not recurring.

Insurance Proceeds and **Miscellaneous Revenues** were up (down) \$(4,316) and \$18,508, respectively. Insurance proceeds were down due to an insurance claim received in the prior year that did not re-occur in 2018.

Expenses totaled \$2,463,403 for 2018, an increase of \$300,178. The **General Government Function** was up \$99,837 due to increases in salaries and benefits (mostly increases in health insurance premiums), along with increases in pension expense (up \$106,385), auditing costs, legal fees (lawsuit against contractor), and utilities. These were offset by decreases in auto and truck costs, emergency costs, insurance, office expenditures, and repairs and maintenance. **Public Safety** costs went down \$(1,930) due to a decrease in salaries and benefits, a drop in pension expense (down \$(25,385)), a drop in depreciation expense (down \$(10,202), and an increase in Redflex collection fees (up \$30,541)). **Public Works** was down \$(15,583), mostly due to a drop in road maintenance costs. **Urban Development and Housing Function** was up \$162,623 due mainly to the JP/CDBG Home Investment Program, which is paying for the elevation or repair of a number of homes in the area that were damaged by previous hurricanes. Due to delays, little work was done in 2017. The project is now active again. **Culture and Recreation** increased \$55,231 due to a \$22,796 increase in depreciation (as capital projects that were completed last year are now being depreciated), a \$10,797 increase in special events (more dances and social events), and an increase of \$22,779 in tourism costs (as a parish grant was spent on advertising).

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2018

As of June 30, 2018, the Town's governmental funds reported combined ending fund balances of \$1,574,053, an increase of \$483,820 from the prior year. \$87,861 or 5.6% is classified as *non-spendable fund balance*, \$30,891 or 2.0% is classified as *restricted fund balance*, and the balance of \$1,455,301 or 92.4% is classified as *unassigned fund balance*, which is available or spending at the Town's discretion. This amount is a net of the General Fund's *unassigned fund balance* of \$1,455,301 and the Capital Projects fund's *unassigned fund balance* of \$-0- at year-end.

Overall, revenues of the Town's governmental funds have varied over the years due to amount and timing of funding from federal, state, and parish/local grants. For the year ended June 30, 2018, governmental revenues totaled \$2,253,986. Of this amount, \$1,623,374 was recorded in the General Fund and \$630,612 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 \$1,543,162. Unassigned fund balance of the General Fund totaled \$1,455,301, which is 92.5% 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 2018, the unassigned fund balance equaled 89.3% of the current year expenditures of the fund (down from 108.2% last year).

The General Fund's revenues totaled \$1,623,374 for 2018.

- Taxes totaled \$297,395, including sales taxes of \$207,515 and franchise taxes of \$89,880. In total, this was a decrease of \$(68,853) or 18.8% from last year (mostly in sales taxes).
- Intergovernmental revenues totaled \$623,357, including \$307,447 from federal grants, \$186,880 from state grants and allocations, and \$129,030 from parish/local grants. In total, this was an increase of \$231,035 or 58.9% over last year. As noted previously, the majority of this increase had to do with the federal grants, particularly CDBG Housing Assistance grants and a Parish grant for the Seafood Market opening.
- Licensees and permits totaled \$55,370, which was a decrease of \$(8,539) or 13.4% from last year, mostly in occupational licenses.
- Service charges, rentals and fees totaled \$106,774. In total, this was an increase of \$34,220 or 47.2% over last year (mostly due to facility rentals going up as both the Auditorium and the Seafood Market were placed in service and rented out during the year).
- Fines and forfeitures totaled \$108,225, which was an increase of \$89,242 or 470.1% over last year (due to the implementation of traffic cameras in the Town).
- Gaming fees and commissions totaled \$342,022, including \$340,757 from the Boomtown Casino boarding fees and \$1,265 from video poker allocations. In total, this was a decrease of \$(7,435) or 2.1% from last year.
- Other income totaled \$81,758, which is down \$(1,484,166) or 94.8% mainly from 1) the settlement from BP for economic losses suffered from the Deepwater Horizon oil spill totaling \$1,500,000 being recognized in 2017 and not recurring, 2) an increase of \$6,899 in special event revenues (as the Town is once again hosting dances and social events), 3) a decrease of \$(4,570) in donations, 4) a decrease of \$(4,316) in insurance proceeds, and 5) an increase of \$18,506 in miscellaneous income.

Expenditures of the General Fund totaled \$1,630,187, which was \$180,400 or 12.4% more than last year. The largest changes were seen in General Government Function which saw changes in salaries and benefits (up \$12,681 - due mostly to increases in insurance premiums), and general and administrative costs (down \$(48,171) - due to various increases and decreases in several line-items - auditing, auto and truck costs, emergency costs, insurance, legal costs, office supplies, repairs and maintenance, and utilities). The Public Safety function went up \$33,658 due to an increase in police supplies and an increase in Redflex collection fees (new for 2018). The Public Works Function was down \$(15,809) due a drop in road maintenance costs. The Urban Planning and Housing Function was up \$162,623 as the CDBG Housing Assistance project had increased activity on it. The Culture and Recreation Function was up \$32,069 due to increases in special events (more dances and social events) and tourism costs (advertising costs). Finally, capital outlay went up \$2,784 as repairs were made to the Art Gallery Building.

**TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2018**

The **Capital Projects Fund** incurred \$139,979 on various construction projects, including the Seafood Market Equipment and Modification project, the street drainage project in the Town, and a new CDBG-Hurricane Isaac drainage project for improvements. This included \$111,314 in architect fees, \$19,886 in equipment and fixtures, and \$8,779 in other expenditures. \$630,612 was recognized as revenue after recording \$448,509 previously posted to deferred inflows - unavailable grant revenues. The General Fund also transferred \$109,930 to this fund to help cover costs on a project.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were decreased \$(276,224) to reflect 1) a decrease of \$(20,500) in taxes, 2) a decrease of \$(287,100) in intergovernmental revenues (primarily for a decrease in the CDBG- Housing Assistance Grant of \$(445,000) due to delays on the project, offset by increases of \$45,500 in FEMA grants, \$35,000 in Parish Tourism grants, and \$77,400 in Parish grants for the opening of the Seafood Market ceremony), 3) a decrease of \$(5,500) in service charges, rentals and fees (primarily in facility rentals), 4) an increase of \$41,556 in fines and forfeitures (due to the implementation of traffic cameras), 5) a decrease of \$(7,200) in gaming fees and commissions, and 6) an increase of \$2,020 in other income (mainly due to increases in donations and special events, offset by a drop in miscellaneous income). Expenditures decreased \$(440,569). General Government costs decreased \$(25,625) mostly due to 1) an increase of \$20,325 in salaries and benefits (related to anticipated increased in salaries and health premiums), 2) an increase of \$10,000 in utilities (due to having more facilities open), 3) an increase in accounting and auditing fees (due to new procedures required by State Auditor), 4) a decrease of \$(58,200) in hurricane/emergency costs, and 5) a decrease of \$(10,000) in repairs and maintenance (due fewer expected repairs to facilities and vehicles). The Urban and Planning Function decreased \$(445,000) to reflect delays in the CDBG house raising project.

The Town’s General Fund actual revenues exceeded budget by \$76,098 or 4.9%. This is principally due to the Town collecting slightly more than expected in fines and forfeitures, Boomtown gaming fees, and miscellaneous income. The Town’s general fund actual expenditures were more than budget by \$10,640 or 0.7%. The General Government Function was under budget by \$6,036, primarily due to insurance costs coming in under budget, while the Public Safety Function was \$16,052 over budget, due to higher than expected Redflex collection fees.

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, 2018.

	Capital Assets, Net Governmental Activities June 30,	
	2018	2017
Land	\$ 690,985	\$ 690,985
Land Improvements	264,915	285,295
Buildings	19,823,278	20,342,807
Building Improvements	1,229,241	1,305,840
Furniture, Fixtures, and Equipment	288,199	300,731
Vehicles and Heavy Equipment	81,159	96,585
Infrastructure (Roads and Drainag)	8,083,254	8,222,556
Construction in Progress	150,989	40,000
Net Investment in Capital Assets	\$ 30,612,020	\$ 31,284,799

The majority of the capital additions for the year were for buildings and construction in progress as the Town continues to make capital improvements for drainage and the Seafood/Fisherman’s Market. Depreciation expense for the year ended June 30, 2018 was \$812,701, as compared to \$801,416 for the year ended June 30, 2017.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2018

Long-term Debt. At year end, the Town had long-term debt of \$79,594. This amount is made up of \$68,719 of principal due on a Community Disaster Loan from FEMA for Hurricane Gustav, along with \$10,875 of accrued interest on the loan. The Town had borrowed \$279,063 but was given a partial forgiveness of the loan balance in April 2015. The balance reflected as debt on the Statement of Net Position is the amount still owed. The Town obtained a five-year extension on repayment of the loan and has until April 2, 2019 to pay all or part of it back. Despite this extension, the amount is included in current liabilities since it is due now, but the Town has up to 5 years to pay it back. The Town continues to look for funds to repay this outstanding portion of the loan.

Net Pension Liability. On the Statement of Net Position, the Town is also showing a non-current liability – pension-related totaling \$568,042. This represents the Town's proportionate share of the Net Pension Liabilities of the Municipal Employees' Retirement System (\$568,042) and the Municipal Police Employees' Retirement System (\$0-). Under GASB Statement No. 68, the Town recognizes its share of the pension liabilities on its government-wide financial statements. This liability saw an increase in the current year (up \$71,601) due to slightly lower 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 5.4 percent, which is 0.2 higher than it was a year ago. In the fishing community of Lafitte, which is heavily dependent on offshore oil, tourism and commercial fisheries (primarily shrimping), the rate tends to be slightly higher at times.
- Inflationary trends in the region compare favorably to national indices.
- The Town is continuing its program of drainage improvements and construction projects, most of which are being funded through Federal, State and Parish/Local grants. These construction projects include the new CDBG drainage improvements in the Town.

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, 2018**

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 211,604
Investments	1,206,889
Receivables	296,889
Prepaid items	87,861
Total current assets	<u>1,803,243</u>
Capital Assets, net of depreciation	<u>30,612,020</u>
Total Assets	<u>32,415,263</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension-related	<u>249,296</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	130,833
Salaries and benefits payable	27,590
Unearned revenues	11,161
Loans payable - Community Disaster Loan	68,719
Accrued interest payable - Community Disaster Loan	10,875
Non-Current Liabilities:	
Net pension liability	568,042
Total liabilities	<u>817,220</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension-related	<u>78,832</u>
NET POSITION	
Net investment in capital assets	30,612,020
Restricted for capital projects	30,891
Unrestricted	1,125,596
Total Net Position	<u>\$ 31,768,507</u>

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

TOWN OF JEAN LAFITTE, LOUISIANA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:					
General Government	\$ 1,335,304	\$ 162,144	\$ 278,504	\$ 54,023	\$ (840,633)
Public Safety	157,281	108,225	30,898	233	(17,925)
Public Works	252,392	-	-	110,193	(142,199)
Urban Development and Housing	176,597	-	176,597	-	-
Culture and Recreation	540,544	45,061	34,749	134,641	(326,093)
Interest on Long-term Debt	1,285	-	-	-	(1,285)
Total Governmental Activities	<u>\$ 2,463,403</u>	<u>\$ 315,430</u>	<u>\$ 520,748</u>	<u>\$ 299,090</u>	<u>(1,328,135)</u>
General Revenues:					
Taxes					
Sales taxes					
					207,515
Franchise taxes					
					89,880
Gaming					
Boomtown fees					
					340,757
Video poker					
					1,265
Unrestricted interest					
					8,473
BP Economic Loss Settlement					
					-
Insurance proceeds					
					-
Gain (loss) on sale of equipment					
					-
Miscellaneous revenues					
					30,677
Total General Revenues					
					<u>678,567</u>
Change in net position					
					(649,568)
Net Position - Beginning of year					
					32,418,075
Net Position - end of year					
					<u>\$ 31,768,507</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, 2018

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 211,604	\$ -	\$ 211,604
Investments	1,206,889	-	1,206,889
Receivables	185,900	110,989	296,889
Due from other funds	-	30,891	30,891
Prepaid items	87,861	-	87,861
Total Assets	<u>\$ 1,692,254</u>	<u>\$ 141,880</u>	<u>\$ 1,834,134</u>
LIABILITIES			
Accounts payable	\$ 19,844	\$ 110,989	\$ 130,833
Salaries and benefits payable	27,590	-	27,590
Due to other funds	30,891	-	30,891
Unearned grant revenues	11,161	-	11,161
Total liabilities	<u>89,486</u>	<u>110,989</u>	<u>200,475</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable grant revenue	<u>59,606</u>	<u>-</u>	<u>59,606</u>
FUND BALANCES			
Non-spendable	87,861	-	87,861
Restricted	-	30,891	30,891
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,455,301	-	1,455,301
Total fund balances	<u>1,543,162</u>	<u>30,891</u>	<u>1,574,053</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,692,254</u>	<u>\$ 141,880</u>	<u>\$ 1,834,134</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, 2018

Total fund balances at June 30, 2018 - Governmental Funds	\$ 1,574,053
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.	59,606
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets	45,352,093
Less accumulated depreciation	(14,740,073)
Deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred and expensed as consumed.	
Deferred outflows - pension-related	249,296
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:	
Loans payable - Community Disaster Loan	(68,719)
Accrued interest payable - Community Disaster Loan	(10,875)
Net pension liability	(568,042)
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	(78,832)
Net position of governmental activities at June 30, 2018	<u>\$ 31,768,507</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, 2018

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 297,395	\$ -	\$ 297,395
Intergovernmental			
Federal	307,447	482,023	789,470
State	186,880	-	186,880
Parish/local	129,030	148,589	277,619
Licenses and permits	55,370	-	55,370
Service charges, rentals and fees	106,774	-	106,774
Fines and forfeitures	108,225	-	108,225
Gaming fees and commissions	342,022	-	342,022
Interest	8,473	-	8,473
Other	81,758	-	81,758
Total Revenues	<u>1,623,374</u>	<u>630,612</u>	<u>2,253,986</u>
EXPENDITURES			
Current:			
General government	1,157,888	-	1,157,888
Public safety	196,608	-	196,608
Public works	191	-	191
Urban development and housing	176,597	-	176,597
Culture and recreation	96,119	-	96,119
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	2,784	139,979	142,763
Total Expenditures	<u>1,630,187</u>	<u>139,979</u>	<u>1,770,166</u>
Excess of Revenues over Expenditures	(6,813)	490,633	483,820
OTHER FINANCING SOURCES (USES)			
Transfers in	-	109,930	109,930
Transfers out	(109,930)	-	(109,930)
Total Other Financing Sources (Uses)	<u>(109,930)</u>	<u>109,930</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(116,743)	600,563	483,820
FUND BALANCES			
Beginning of year	1,659,905	(569,672)	1,090,233
End of year	<u>\$ 1,543,162</u>	<u>\$ 30,891</u>	<u>\$ 1,574,053</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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$	483,820
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		(448,509)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		(57)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	\$	139,979
Depreciation Expense		<u>(812,701)</u>
		(672,722)
Some expenses are reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Interest on long-term debt		(1,285)
Partial cancellation of outstanding CDL loan		-
In the Statement of Activities, certain pension-related inflows and outflows of resources are recognized in the current year, while others are deferred. The net effect of these pension-related transactions are as follows:		
Current year pension (expense) benefit per the retirement systems		(78,659)
Current year amortization of certain deferred inflows and outflows		86
Recognition of On-Behalf Payments made to pension plan by non-employer entities		8,358
Deferral of current year pension contributions made by employer		59,400
Changes in Net Position of Governmental Activities	\$	<u>(649,568)</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, 2018

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, 2018

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, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D) Assets, Liabilities, and Fund Equity

1. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

2. ACCOUNTS RECEIVABLE

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

3. INTERFUND RECEIVABLES/PAYABLES

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

4. INVENTORIES

The costs of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2018 would not be material to the financial statements.

5. PREPAID ITEMS

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. CAPITAL ASSETS

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

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

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

Asset Category	Estimated Life in Years
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, 2018 would not be material to the financial statements.

8. LONG-TERM DEBT

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

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

10. FUNDEQUITY

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fund financial statements, 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.

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

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

11. ACCOUNTING ESTIMATES

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

12. SUBSEQUENT EVENTS

The Town has evaluated subsequent events through December 31, 2018, the date the financial statements were available to be issued.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Budget Adoption

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

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. 490. Revenues of the General Fund were decreased \$(291,780) to reflect 1) a decrease of \$(20,500) in taxes, 2) a decrease of \$(287,100) in intergovernmental revenues (primarily for a decrease in the CDBG- Housing Assistance Grant of \$(445,000) due to delays on the project, offset by increases of \$45,500 in FEMA grants, \$35,000 in Parish Tourism grants, and \$77,400 in Parish grants for the opening of the Seafood Market ceremony), 3) a decrease of \$(5,500) in service charges, rentals and fees (primarily in facility rentals), 4) an increase of \$26,000 in fines and forfeitures (due to the implementation of traffic cameras), 5) a decrease of \$(7,200) in gaming fees and commissions, and 6) an increase of \$2,020 in other income (mainly due to increases in donations and special events, offset by a drop in miscellaneous income).

Expenditures decreased \$(455,625). The most significant of the changes made are described below.

Fund/Function	Original Budget	Amendments	Final Budget
General Governmnet	\$ 1,189,550	\$ (25,625)	\$ 1,163,925
Public Safety	175,000	5,556	180,556
Public Works	1,000	(500)	500
Urban Development and Housing	625,500	(445,000)	180,500
Culture and Recreation	61,000	33,000	94,000
Capital Outlay	7,500	(7,500)	-
	<u>\$ 2,059,550</u>	<u>\$ (440,069)</u>	<u>\$ 1,619,481</u>

General Government costs decreased \$(25,625) mostly due to 1) an increase of \$20,325 in salaries and benefits (related to anticipated increased in salaries and health premiums), 2) an increase of \$10,000 in utilities (due to having more facilities open), 3) an increase in accounting and auditing fees (due to new procedures required by State Auditor), 4) a decrease of \$(58,200) in hurricane/emergency costs, and 5) a decrease of \$(10,000) in repairs and maintenance (due fewer expected repairs to facilities and vehicles).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Public Safety increased \$5,556 due to a decrease in salaries (due to an anticipated drop in overtime) offset by an increase in Redflex commissions and fees (due to new traffic camera system).

Urban Planning and Housing dropped \$(445,000) to account for delays in the CDBG - Housing Assistance program.

Culture and Recreation went up \$32,000 mostly due to 1) an increase of \$9,500 in special events (Town sponsored dances and social events), and 2) an increase of \$23,000 in Tourism costs (as the money from the Parish was received dedicated to this).

C) Expenditures in Excess of Budget

The General Fund's actual expenditures were less than the final budget by \$22,528. While the General Fund expenditures were within 1.4 percent of budget in total, the following functions had expenditures in excess of budget.

Function	Actual Costs	Budget	Excess
Public Safety	\$ 166,066	\$ 165,000	\$ 1,066
Culture and Recreation	96,119	94,000	2,119
Capital Outlay	2,784	-	2,784

The Public Safety Function was over budget in salaries and supplies, but this was offset by a savings in costs associated with the Victim's Assistance Grant program. The Culture and Recreation Function was over budget in tourism related costs. Capital outlay was over budget due to some repairs at the Art Gallery being charged late in the year that were not expected.

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

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A) Cash

At June 30, 2018, the carrying amount of the Town's cash deposits was \$211,604 and the bank balance was \$222,483, 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, 2018 consist of \$1,206,889 invested in the Louisiana Asset Management Pool (LAMP); a State of Louisiana sponsored external investment pool. Because these investments are not evidenced by securities that exist in physical or book entry form they are not categorized in one of the Custodial Risk categories required by GASB. LAMP is administered by LAMP, Inc., a corporation organized under the laws of the State of Louisiana. Only local governments may participate in LAMP.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of a share in LAMP is the same as the book value (i.e., a share in the pool is always worth \$1.00 per share). Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 31.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2018 consist of the following:

Receivable	General Fund	Capital Projects Fund	Total
Taxes	\$ 37,205	\$ -	\$ 37,205
Service charges and fees	8,585	-	8,585
Intergovernmental			
Federal - FEMA	59,606	-	59,606
Federal - Other	12,487	110,989	123,476
State	28,111	-	28,111
Parish/Local	17,035	-	17,035
Licenses and permits	178	-	178
Fines and forfeitures	5,825	-	5,825
Gaming	16,868	-	16,868
Other	-	-	-
	<u>\$ 185,900</u>	<u>\$ 110,989</u>	<u>\$ 296,889</u>

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

The Town is owed \$59,606 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.

The \$12,487 receivable from Federal – Other in the General Fund has to do with various grants (JP/CDBG Housing Assistance Project, Victim’s Assistance, and other police-related grants). In the Capital Projects Fund, the \$110,989 is receivable on the CDBG Disaster Recovery – Hurricane Isaac Drainage Improvements Project (See Note 5).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the governmental funds for the year ended June 30, 2018 was as follows:

	Balance 6/30/2017	Additions	Deletions	Transfers	Balance 6/30/2018
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 690,985	\$ -	\$ -	\$ -	\$ 690,985
Construction in progress	40,000	139,979	(57)	(28,933)	150,989
Total capital assets not being depreciated	<u>730,985</u>	<u>139,979</u>	<u>(57)</u>	<u>(28,933)</u>	<u>841,974</u>
Capital assets being depreciated:					
Land improvements	465,835	-	-	-	465,835
Buildings	24,614,278	-	-	-	24,614,278
Building improvements	2,113,982	-	-	-	2,113,982
Furniture, fixtures, and equipment	736,430	-	-	19,886	756,316
Vehicles and heavy equipment	520,717	-	-	-	520,717
Infrastructure (roads/drainage)	16,029,944	-	-	9,047	16,038,991
Total capital assets being depreciated	<u>44,481,186</u>	<u>-</u>	<u>-</u>	<u>28,933</u>	<u>44,510,119</u>
Less accumulated depreciation for:					
Land improvements	(180,540)	(20,380)	-	-	(200,920)
Buildings	(4,271,471)	(519,529)	-	-	(4,791,000)
Building improvements	(808,142)	(76,599)	-	-	(884,741)
Furniture, fixtures, and equipment	(435,699)	(32,418)	-	-	(468,117)
Vehicles and heavy equipment	(424,132)	(15,426)	-	-	(439,558)
Infrastructure (roads/drainage)	(7,807,388)	(148,349)	-	-	(7,955,737)
Total accumulated depreciation	<u>(13,927,372)</u>	<u>(812,701)</u>	<u>-</u>	<u>-</u>	<u>(14,740,073)</u>
Capital assets being depreciated, net					
Land improvements	285,295	(20,380)	-	-	264,915
Buildings	20,342,807	(519,529)	-	-	19,823,278
Building improvements	1,305,840	(76,599)	-	-	1,229,241
Furniture, fixtures, and equipment	300,731	(32,418)	-	19,886	288,199
Vehicles and heavy equipment	96,585	(15,426)	-	-	81,159
Infrastructure (roads/drainage)	8,222,556	(148,349)	-	9,047	8,083,254
Total capital assets being depreciated, net	<u>30,553,814</u>	<u>(812,701)</u>	<u>-</u>	<u>28,933</u>	<u>29,770,046</u>
Total Governmental Activities capital assets, net	<u>\$ 31,284,799</u>	<u>\$ (672,722)</u>	<u>\$ (57)</u>	<u>\$ -</u>	<u>\$ 30,612,020</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the functions of the governmental activities in 2018 as follows:

Function	
General Government	\$ 109,844
Public Safety	6,231
Public Works	252,201
Urban Development and Housing	-
Culture and Recreation	444,425
	<u>\$ 812,701</u>

Construction in progress at June 30, 2018 consisted of the following projects:

Project	Construction In Progress	Expended During 2018
Auditorium Demolition and Construction	\$ -	\$ 57
Seafood/Fisherman's Market Construction	-	-
Seafood/Fisherman's Market Equipment & Modifications	-	19,886
CDBG Disaster Recovery Drainage Projects:	110,989	110,989
NE Streets Drainage	-	9,047
Hurricane Isaac Drainage Improvements	-	-
General Fund - Sidewalk Beautification	40,000	-
	<u>\$ 150,989</u>	<u>\$ 139,979</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 Demolition and Construction project is being funded with Community Development Disaster Recovery Grant (CDBG) funds, Parish grants and local funds and is estimated to cost \$5,586,227. Through year end, \$6,505,944 has been spent (\$416,848 on demolition and \$6,089,096 on construction). During 2018, \$520,419 was recognized as revenue (\$371,830 from the CDBG Grant and \$148,589 from the Parish). The total receivable at year-end is \$-0- on the CDBG Grant, as \$340,940 was accrued in the prior year; however, that amount was recognized in 2018 as part of the \$371,830 receipt. The Town's General Fund transferred \$18,728 to the Capital Projects Fund to cover any costs not paid for by either the federal or parish grants in 2018.

The Auditorium project is complete; however, the Town is having 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.

The Seafood/Fish Market was funded with \$1,325,000 of State Capital Outlay funds (Project No. 50-ME1-11-01), \$1,250,000 of CDBG Disaster Recovery Grant funds (Project No. IFIS-00021), \$852,000 of Jefferson Parish funds, \$300,000 of additional CDBG Disaster Recovery Funds (Project No. B-08-DI-22-0001), and \$133,140 of Town/local funds, for a total estimated project cost of \$3,860,140. Through year end, \$3,920,709 has been spent on this project (\$67,057 in prior costs and \$3,853,652 for construction under these grants).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 5 - CAPITAL ASSETS (CONTINUED)

To date, \$1,250,000 of this amount has been funded from the original CDBG Disaster Recovery Grant, \$1,263,127 from State Capital Outlay funds, \$300,000 from the additional CDBG Disaster Recovery Grant, \$852,000 from Parish grants, and \$188,574 in Town/local funds.

During the current year, \$-0- was recognized as revenues on these various grants, although a previously accrued receivable of \$61,873 from State Capital Outlay was disallowed in 2018 and written off. This amount was transferred from the Town's General Fund to the Capital Projects Fund to cover these costs in 2018. This project was transferred into capital assets out of construction in progress in 2017.

The Town opened a project in 2016 to install equipment in the kitchen of the Seafood Market and to make certain modifications to the exterior walls to allow for enclosure of certain areas. To date, the Town has spent \$271,334 on the project. The Town received \$250,000 from the Parish of Jefferson to fund the project in the prior year. The \$19,886 spent in the current year was the retainage balance on the contract to install the equipment, which was paid upon substantial completion being issued. In 2017, \$251,448 of this project was transferred into capital assets out of construction in progress at year-end. For 2018, the balance of \$19,886 is being transferred into capital assets and the project is completely closed. The Town's General Fund transferred the \$19,886 to the Capital Projects Fund to cover these costs in 2018.

A CDBG Disaster Recovery Grant paid for various street drainage projects throughout the Town in prior years. During 2018, one of the projects (Town Streets Drainage - Northeast) incurred \$9,047 of additional costs that were not covered by the grant and were not claimed for reimbursement. In addition, the grantor disallowed \$797 of prior year costs that the Town had to refund. During 2018, the Town's General Fund transferred \$9,844 to the Capital Projects Fund to cover these costs. The additional \$9,047 spent on this project was transferred into capital assets out of construction in progress during the year.

The Town received a CDBG Disaster Recovery Grant to pay for Hurricane Isaac-related drainage improvements in the area. The grant is for \$2,500,000. The Town incurred planning and architectural costs of \$110,989 during 2018. This amount has been accrued as receivable and the revenue was recognized in the Capital Projects Fund. A reimbursement request had been submitted and the funds have been received within 60 days subsequent to year end.

NOTE 6 - LONG-TERM DEBT

A) FEMA Community Disaster Loan #2

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 6 - LONG-TERM DEBT (CONTINUED)

On June 26, 2014, the Town received a five year extension on repaying the remaining balance of the CDL loan. The loan is now due and payable no later than April 2, 2019. The loan continues to accrue simple interest at 1.875%. On the Statement of Net Position, the entire amount is considered as due within one year and is presented as such. The Town continues to look for funds to pay the unforgiven portion of the loan back.

B) Changes in Long-Term Debt

The following is a summary of the changes in long-term debt related to governmental activities for the year ended June 30, 2018:

Type of Debt	Balance 6/30/2017	Additions	Reductions	Balance 6/30/2018	Due Within One Year
Governmental Activities:					
FEMA Community Disaster Loan #2 - Gustav/Ike	\$ 78,309	\$ 1,285	\$ -	\$ 79,594	\$ 79,594
Total Governmental Activities	\$ 78,309	\$ 1,285	\$ -	\$ 79,594	\$ 79,594

Included in the \$79,594 is principal due on the loan of \$68,719, plus accrued interest of \$10,875.

NOTE 7 – INTERFUND TRANSACTIONS

A) Interfund Receivables/Payables

Since the Town operates one checking account, all of the cash receipts and disbursements of the Capital Projects Fund are run through the General Fund. Once the Capital Project Fund activity is broken out, the difference in cash collections and disbursements is recognized as a due to or due from the General Fund. At year-end, the amount due to the Capital Projects Fund from the General Fund amounted to \$30,891. It should be noted that these amounts are eliminated in the conversion to the government-wide financial statements.

B) Operating Transfers

While the majority of the Capital Projects are funded with federal, state, or parish/local funds; at times, the Town is responsible for covering some of the costs (i.e., matching funds, disallowed costs, etc.). During 2018, the General Fund had to make transfers to the Capital Project Fund totaling \$109,930 to cover Town/local costs associated with the Auditorium Construction Project, the Seafood Market Construction Project, the Seafood Market Project Equipment and Modification project, and the Town Streets Drainage – Northeast project. The Transfers In/out are shown on the fund financial statements as an operating transfer in/out. It should be noted that these amounts are eliminated in the conversion to the government-wide financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 8 – RESTRICTIONS OF NET POSITION AND FUND BALANCE COMPONENTS

A) Net Position

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

B) Fund Balance Components

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

At June 30, 2018, the Town reported \$87,861 in the non-spendable category to reflect that the assets in prepaid items that are not in spendable form. The remaining balance of \$1,455,301 is categorized as unassigned in the General Fund. The Capital Projects Fund reports a restricted fund balance of \$30,891 at year-end.

NOTE 9 - SALES TAXES

For the year ended June 30, 2018, the total sales tax levied on purchases within the Town limits was 8 3/4%. Of this amount, the State levies 4%, the Jefferson Parish Public School System levies 1 1/2%, the Jefferson Parish Sheriff's Office levies 1/4%, and the Parish of Jefferson levies the remaining 3%. Sales taxes, except sales tax on motor vehicles which is collected by the State, are collected by the Sheriff of Jefferson Parish, who receives a commission of 11% of the amount collected.

Of the 3% levied by the Parish, 1/2% is remitted to the Jefferson Parish Public School System, 1% is remitted to the Parish for sewer capital and law enforcement, 1/6% is remitted to the Parish for drainage purposes, and the balance (1 1/3%) is remitted to the Town (as an incorporated municipality). During 2018, these taxes generated \$180,446, 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 2018, this tax generated \$27,069.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

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, 2018

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. 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, 2018

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 hi 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, 2018

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, 2017, the actuarially determined employer contribution rate was 22.75% for Plan A (the Plan that the Town participates in) and 11.00% for Plan B.

For 2018, the actual employer contribution rate was 24.75% for Plan A, while the employee contribution rate was 9.50%. Employer and employee contributions to Municipal System – Plan A for fiscal year 2018 were as follows:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Source	Amount	(1) Covered Payroll	Percent of Covered Payroll
Employee	\$ 21,339	\$ 224,615	9.50%
Employer	59,400	240,000	24.75%

(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 \$8,358 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, 2017, the required employer and employee combined contribution rate for was 41.75% - 31.75% for the employer and 10.00% for the employee, For employees hired prior to January 1, 2013 and for Hazardous Duty members hired after January 1, 2013, the rates were 31.75% for the employer and 10.00% for the employee. For all Non-Hazardous Duty members hired subsequent to January 1, 2013, the rates were 31.75% for the employer and 8.00% for the employee. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.5%, respectively.

For 2018, the Town did not have any active participants in the Police System. The actual employer contribution rate was 30.75%, while the employee contribution rate was 10.00%. Employer and employee contributions to Police System for fiscal year 2018 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, 2018

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, 2018, the Town reported a combined liability of \$568,042 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System and the Police System. The amount for each plan was \$568,042 and \$-0-, respectively. The NPL for each system was measured as of June 30, 2017, 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, 2017, the most recent measurement date, the Town's proportionate share for each system was:

	The Municipal System	The Police System
Town's Proportionate Share	0.135784%	0.000000%
Decrease from prior year	0.030629%	-0.006982%

For the year ended June 30, 2018, the Town recognized a total pension expense (benefit) of \$78,753, with \$124,131 related to the Municipal System and \$(45,558) 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	\$ 99,205	\$ -
Town's amortization of its change in proportionate share	25,106	(45,652)
Town's amortization of actual contributions over its proportionate share of contributions	(180)	94
Total Pension Expense (Benefit) Recognized by Town	\$ 124,131	\$ (45,558)

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>The Municipal System</i>		
a) Differences between expected and actual experience	\$ -	\$ 17,300
b) Net change in assumptions	9,499	-
c) Net difference between projected and actual earnings on pension plan investments	114,547	-
d) Changes in proportion to NPL	65,611	-
e) Differences between the Town's contributions and its proportionate share of contributions	46	195
f) Town's contributions subsequent to the June 30, 2017 measurement date	59,400	-
	<u>\$ 249,103</u>	<u>\$ 17,495</u>
<i>The Police System</i>		
a) Differences between expected and actual experience	\$ -	\$ -
b) Net change in assumptions	-	-
c) Net difference between projected and actual earnings on pension plan investments	-	-
d) Changes in proportion to NPL	-	61,335
e) Differences between the Town's contributions and its proportionate share of contributions	193	2
f) Town's contributions subsequent to the June 30, 2017 measurement date	-	-
	<u>\$ 193</u>	<u>\$ 61,337</u>
Grand Total	<u>\$ 249,296</u>	<u>\$ 78,832</u>

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date (June 30, 2017) totaled \$59,400 (\$59,400 for the Municipal System and \$-0- for the Police System). These amounts will be recognized as a reduction of the NPL in the year ending June 30, 2019. It should be noted that the employee who was participating in the Police Plan left the Town, thus, there are no active employees currently participating in this plan as of year-end. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

Fiscal Year Ending June 30,	Amount of Amortization	
	The Municipal System	The Police System
2019	\$ (64,641)	\$ 24,309
2020	(77,561)	23,526
2021	(24,869)	13,309
2022	(5,137)	-

Actuarial Assumptions

The total pension liability for each system in the respective June 30, 2017 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, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.40%, net of investment expense	7.325%, net of investment expense
Inflation Rate	2.775%	2.700%
Projected Salary Increases	5.00% (2.775% inflation and 2.225% merit)	4.25% to 9.75% (depending on years of service)
Mortality Rates - Non-disabled	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables (set forward 2 yrs for males and 1 yr for females) projected to 2028 using scale AA	RP-2000 Combined with Blue Collar Adjustment Sex Distinct Tables (set back 1 yr for females) projected to 2029 by scale AA
Mortality Rates - Disabled	RP-2000 Disabled Lives Table (set back 5 yrs for males and 3 yrs for females)	RP-2000 Disabled Lives Table (set back 5 yrs for males and 3 yrs for females)
Mortality Rates - Other	RP-2000 Employees Sex Distinct Table (set back 2 yrs for both males and females)	RP-2000 Employee Table (set back 4 yrs for males and 3 yrs for females)
Expected Remaining Service Lives	3 years for Plan A and 4 years for Plan B	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

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%	2.30%
Public Fixed Income	35.0%	1.60%
Alternative Investments	15.0%	0.70%
Other	0.0%	0.00%
Totals	100.0%	4.60%
Inflation		2.60%
Expected Arithmetic Rate of Return		7.20%
<u>The Police System</u>		
Public Equity	53.0%	3.66%
Public Fixed Income	21.0%	0.52%
Alternative Investments	20.0%	1.10%
Other	6.0%	0.16%
Totals/Average	100.0%	5.44%
Inflation		2.75%
Expected Arithmetic Rate of Return		8.19%

Discount Rate. The discount rate used for both the Municipal System was 7.40% and 7.325% for the Police System. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system's actuary.

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 10 - EMPLOYEE PENSION PLANS (CONTINUED)

The Municipal System

	1.0% Decrease 6.40%	Current Discount Rate 7.40%	1.0% Increase 8.40%
Town's Proportionate Share of the Net Pension Liability - Plan A	\$ 723,874	\$ 568,042	\$ 435,121

The Police System

	1.0% Decrease 6.325%	Current Discount Rate 7.325%	1.0% Increase 8.325%
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 2017 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, 2018, the Town had payables to the pension plans totaling \$8,608 (\$8,608 to the Municipal System and \$-0- to the Police System) for the June 2018 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A) Risk Management

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

B) Litigation

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C) Federal Assistance – Public Disaster Assistance

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

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

Hurricane Katrina (1603-DR-LA)

The Town was affected by Hurricane Katrina in August 2005. To date, claims totaling \$2,553,291 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$1,769,646 has been obligated by FEMA. The Town's share of the approved claims was -0- percent. To date, \$1,939,654 has been authorized plus an additional \$30,363 of administrative costs, for a total of \$1,970,017. 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 \$1,958,649 from FEMA, with the balance of \$11,368 being accrued at year-end in the General Fund.

There was no activity on these projects during 2018. The Town is awaiting completion and close-out of these projects by FEMA.

Hurricane Rita (1607-DR-LA)

The Town was affected by Hurricane Rita in September 2005. To date, claims totaling \$749,669 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$580,442 has been obligated by FEMA. The Town's share of the approved claims was -0- percent. To date, \$580,442 has been authorized plus an additional \$12,609 of administrative costs, for a total of \$593,051. To date, the Town has received \$593,051, with the balance of \$-0- being accrued at year-end in the General Fund. There was no other activity on these projects during 2018. The Town is awaiting completion and close-out of these projects by FEMA.

Hurricane Gustav (1786-DR-LA)

The Town was affected by Hurricane Gustav in August 2008. To date, claims totaling \$939,450 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$902,773 has been obligated by FEMA. The Town's share of the approved claims was 10 percent or \$90,277. To date, \$812,496 has been authorized for payment. To date, the Town has received \$836,948 from FEMA, with the balance of \$(24,452) being deferred at year-end in the General Fund. There was no other activity on these projects during 2018. The Town is awaiting completion and close-out of these projects by FEMA.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, \$1,307,329 has been obligated by FEMA. The Town's share of the approved claims was 10 percent in some cases for a total of \$49,777. To date, \$1,275,366 has been authorized for payment. During 2018, the Town received \$99,719, bringing the grant-to-date amount received from FEMA to \$1,275,366. There was no activity on these projects during 2018 other than the collection noted. The Town is awaiting completion and close-out of these projects by FEMA.

Tropical Storm Lee (4041-DR-LA)

The Town was affected by Hurricane Ike in September 2011. To date, claims totaling \$433,505 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$437,349 has been obligated by FEMA. The Town's share of the approved claims was 25 percent in some cases for a total of \$108,523. To date, \$325,569 has been authorized for payment. During 2018, the Town received \$-0-, bringing the grant-to-date amount received from FEMA to \$260,936, with the balance of \$64,633 being accrued in the General Fund at year-end. There was no other activity on these projects during 2018 other than the collection noted and to adjust the receivable down by \$(45,696). The Town is awaiting completion and close-out of these projects by FEMA.

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. To date, the Town has received \$95,604 from FEMA, with the balance of \$8,057 being accrued in the General Fund at year-end. During 2018, there was no other activity on these projects. The Town is awaiting completion and close-out of these projects by FEMA.

D) Urban Development and Housing Project Commitment

The Town entered into a cooperative endeavor agreement in 2014 with the Jefferson Parish Community Development Office to facilitate the reconstruction and/or elevation of several houses that were destroyed or damaged by previous hurricanes and floods. The program is being funded with funds from the JP/CDBG HOME Investment Partnership program. Under the agreement, the Town will be reimbursed up to \$1,214,159 plus an administrative fee not to exceed 15% of the costs. The Town was given an advance of \$217,500 as a mobilization payment in 2014.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

During 2018, the Town expended \$176,597 on this project, bringing the total-to-date expenditure to \$1,300,773. During 2018, the Town received \$176,597, bringing the total revenues to date figure to \$1,307,713. This includes an accrued receivable of \$4,220 at year-end for engineering fees. The difference between the revenues and expenditures is \$(6,940). This amount is recorded on the balance as a receivable of \$4,220 offset by the balance of the initial advance of \$(11,161). These funds will be recognized as revenue in future periods as the work is done and the revenue is earned. This \$(11,161) is recorded as unearned grant revenues on the General Fund Balance Sheet as well as the Statement of Net Position at year end.

NOTE 12 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

As of June 30, 2018, the Government Accounting Standards Board (GASB) has issued several statements that require implementation in 2019 or beyond. The Statements, which may or may not impact the Town, are as follows:

- **Governmental Accounting Standards Board Statement No. 82 (GASB 82), *Pension Issues, an Amendment of GASB Statements No. 67, No. 68, and No. 73***. Issued in March 2016, applicable for periods beginning after June 15, 2016. This statement was adopted by the pension plans the Town participates in and did not affect the Town directly.
- **Governmental Accounting Standards Board Statement No. 83 (GASB 83)**
The GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, in November 2016. The provisions of this Statement are effective for fiscal years beginning after June 15, 2018.
- **Governmental Accounting Standards Board Statement No. 84 (GASB 84)**
The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
- **Governmental Accounting Standards Board Statement No. 87 (GASB 87)**
The GASB issued Statement No. 87, *Leases*, in June 2017. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOWN OF JEAN LAFITTE, LOUISIANA

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

	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012	(2) 2011	(2) 2010	(2) 2009
Town's proportion of the net pension liability (asset)	0.135784%	0.105155%	0.103707%	0.112296%	0.149929%	-	-	-	-	-
Town's proportionate share of the net pension liability (asset)	\$ 568,042	\$ 431,000	\$ 370,458	\$ 288,201	\$ 464,691	-	-	-	-	-
Town's covered payroll (CEP)	\$ 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)	230.34%	229.44%	209.30%	140.84%	253.28%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	62.49%	62.11%	66.18%	73.99%	67.97%	-	-	-	-	-

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

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

TOWN OF JEAN LAFITTE, LOUISIANA

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

	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012	(2) 2011	(2) 2010	(2) 2009
Town's contractually required contribution	(3) \$ 59,400	\$ 56,100	\$ 37,100	\$ 34,958	\$ 38,370	\$ 26,144	\$ -	\$ -	-	-
Contributions by Town in relation to the contractually required contribution	59,400	56,386	37,100	35,113	38,769	26,144	-	-	-	-
Contribution deficiency (excess)	(4) \$ -	\$ (286)	\$ -	\$ (155)	\$ (399)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (CEP)	\$ 240,000	\$ 246,611	\$ 187,847	\$ 176,999	\$ 204,634	\$ 183,467	-	-	-	-
Contractually required contributions as a percentage of covered payroll (CEP)	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

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) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013	(2) 2012	(2) 2011	(2) 2010	(2) 2009
Town's proportion of the net pension liability (asset)	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%	334.57%	292.87%	121.59%	154.02%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	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) 2018	(5) 2017	(1) 2016	(1) 2015	(1) 2014	(1) 2013	(2) 2012	(2) 2011	(2) 2010	(2) 2009
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%	31.50%	31.50%	31.00%	29.00%	-	-	-	-

- (1) The amounts presented are for the fiscal year ended June 30, XX for each year.
- (2) Information not available due to recent implementation of this reporting standard.
- (3) Information obtained from monthly pension reports filed with the Municipal Police Employees' Retirement System (the plan fiduciary).
- (4) Differences related to miscellaneous refunds or timing issues that occurred during the year.
- (5) The Town's officers who were participating in this plan left employment at the end of 2016. Thus, there were no employees participating in MPERS during FY 17/18.

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, 2018

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes	\$ 297,395	\$ 298,500	\$ (1,105)	\$ 319,000
Intergovernmental				
Federal	307,447	308,500	(1,053)	708,000
State	186,880	191,200	(4,320)	191,200
Parish/local	129,030	129,950	(920)	17,550
Licenses and permits	55,370	57,450	(2,080)	58,950
Service charges, rentals and fees	106,774	106,600	174	112,100
Fines and forfeitures	108,225	61,556	46,669	20,000
Gaming fees and commissions	342,022	331,500	10,522	338,700
Interest	8,473	5,000	3,473	3,000
Other	81,758	57,020	24,738	55,000
Total Revenues	<u>1,623,374</u>	<u>1,547,276</u>	<u>76,098</u>	<u>1,823,500</u>
EXPENDITURES				
Current:				
General government	1,157,888	1,163,925	6,037	1,189,550
Public safety	196,608	180,556	(16,052)	175,000
Public works	191	500	309	1,000
Urban development and housing	176,597	180,500	3,903	625,500
Culture and recreation	96,119	94,000	(2,119)	61,000
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	2,784	-	(2,784)	7,500
Total Expenditures	<u>1,630,187</u>	<u>1,619,481</u>	<u>(10,706)</u>	<u>2,059,550</u>
Excess (Deficiency) of Revenues over Expenditures	(6,813)	(72,205)	65,392	(236,050)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(109,930)	-	(109,930)	-
Total Other Financing Sources (Uses)	<u>(109,930)</u>	<u>-</u>	<u>(109,930)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(116,743)	(72,205)	(44,538)	(236,050)
FUND BALANCE				
Beginning of year	1,659,905	1,659,905	-	1,567,023
End of year	<u>\$ 1,543,162</u>	<u>\$ 1,587,700</u>	<u>\$ (44,538)</u>	<u>\$ 1,330,973</u>

**INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF REVENUES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes				
Sales Taxes	\$ 207,515	\$ 206,500	\$ 1,015	\$ 225,500
Franchise Taxes	89,880	92,000	(2,120)	93,500
Total Taxes	<u>297,395</u>	<u>298,500</u>	<u>(1,105)</u>	<u>319,000</u>
Intergovernmental				
Federal				
FEMA - Public Assistance Grants	99,719	100,000	(281)	54,500
Police - Equipment Grants	233	8,000	(7,767)	8,000
Police - Highway Safety Grants	-	-	-	-
Victim's Assistance Grants	30,898	20,000	10,898	20,000
CDBG - Housing Assistance Grants	176,597	180,500	(3,903)	625,500
Total Federal	<u>307,447</u>	<u>308,500</u>	<u>(1,053)</u>	<u>708,000</u>
State				
Parish Transportation Fund	163,767	168,000	(4,233)	168,000
Beer Tax Allocation	3,113	3,200	(87)	3,200
Senior Citizen Utility Income	20,000	20,000	-	20,000
Total State	<u>186,880</u>	<u>191,200</u>	<u>(4,320)</u>	<u>191,200</u>
Parish/Local				
Library Grant	17,035	17,550	(515)	17,550
Tourism	34,749	35,000	(251)	-
Auditorium Grand Opening Ceremony	-	-	-	-
Seafood Market Opening Ceremony	77,246	77,400	(154)	-
Total Parish/Local	<u>129,030</u>	<u>129,950</u>	<u>(920)</u>	<u>17,550</u>
Total Intergovernmental	<u>623,357</u>	<u>629,650</u>	<u>(6,293)</u>	<u>916,750</u>
Licenses and permits				
Occupational Licenses	18,258	20,000	(1,742)	22,000
Insurance Premium Fees	29,952	27,500	2,452	27,500
Alcoholic Beverage Permits	553	2,200	(1,647)	2,200
Building, Electrical and Plumbing Permits	6,607	7,750	(1,143)	7,250
	<u>55,370</u>	<u>57,450</u>	<u>(2,080)</u>	<u>58,950</u>
Service charges, rentals and fees				
Facility Rentals				
	106,774	106,600	174	112,100
	<u>106,774</u>	<u>106,600</u>	<u>174</u>	<u>112,100</u>
Fines and forfeitures				
Fines - Redflex Traffic Systems	4,635	6,000	(1,365)	20,000
	103,590	55,556	48,034	-
	<u>108,225</u>	<u>61,556</u>	<u>46,669</u>	<u>20,000</u>
Gaming fees and commissions				
Boomtown Boarding Fees	340,757	330,000	10,757	337,500
Video Poker Fees	1,265	1,500	(235)	1,200
	<u>342,022</u>	<u>331,500</u>	<u>10,522</u>	<u>338,700</u>
Interest				
	8,473	5,000	3,473	3,000
	<u>8,473</u>	<u>5,000</u>	<u>3,473</u>	<u>3,000</u>
Other				
Donations - BP Advertising	-	-	-	-
Donations - Other	6,020	6,020	-	-
BP Economic Settlement	-	-	-	-
Insurance Proceeds	-	-	-	-
Special Events and Festivals	39,859	40,000	(141)	33,000
Tourist Information Proceeds	230	750	(520)	1,500
Artist Proceeds	610	250	360	-
Food Bank	2,117	2,000	117	-
Senior Citizen Fund	2,245	3,000	(755)	5,000
Miscellaneous	30,677	5,000	25,677	15,500
	<u>81,758</u>	<u>57,020</u>	<u>24,738</u>	<u>55,000</u>
Total Revenues	<u>\$ 1,623,374</u>	<u>\$ 1,547,276</u>	<u>\$ 76,098</u>	<u>\$ 1,823,500</u>

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2018

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
EXPENDITURES				
Current:				
<u>General Government</u>				
Salaries and Benefits				
Salaries - Council	\$ 48,000	\$ 48,000	\$ -	\$ 48,000
Salaries - Regular	363,733	360,000	(3,733)	350,000
Retirement	59,400	57,000	(2,400)	57,000
Payroll taxes	43,645	43,500	(145)	43,500
Health and life insurance	48,677	50,000	1,323	33,500
Health and life insurance - Mayor	310	500	190	3,000
Unemployment insurance	1,228	1,250	22	1,000
Workman's compensation insurance	13,321	12,550	(771)	12,550
Dental and other	74	75	1	4,000
	<u>578,388</u>	<u>572,875</u>	<u>(5,513)</u>	<u>552,550</u>
General and Administrative Costs				
Accounting and auditing	46,500	47,500	1,000	41,000
Appraisals/surveys	-	-	-	-
Architect/engineering	-	-	-	-
Auto and truck	15,465	14,000	(1,465)	15,000
Bank charges	2,719	2,500	(219)	2,250
Contract labor	-	-	-	1,500
Consultants	24,000	24,000	-	24,000
Court costs	343	500	157	500
Dues and subscriptions	240	500	260	2,250
Emergency response costs - hurricanes	3,731	7,800	4,069	66,000
Food bank expenditures	1,869	1,750	(119)	-
Insurance	145,450	174,500	29,050	174,500
Janitorial	4,123	4,000	(123)	4,250
Legal - attorney/magistrate	50,487	48,000	(2,487)	38,000
Miscellaneous	6,281	7,500	1,219	5,500
Office supplies	12,351	13,500	1,149	15,000
Official journal	-	500	500	500
Rentals	1,248	1,250	2	1,250
Repairs and maintenance	101,950	90,000	(11,950)	100,000
Scholarship program	3,200	4,000	800	4,000
Travel - conventions	3,682	3,000	(682)	5,000
Travel - other	2,007	1,250	(757)	1,500
Uniforms	-	-	-	-
Utilities	153,854	145,000	(8,854)	135,000
	<u>579,500</u>	<u>591,050</u>	<u>11,550</u>	<u>637,000</u>
Total General Government	<u>1,157,888</u>	<u>1,163,925</u>	<u>6,037</u>	<u>1,189,550</u>

(Continued)

TOWN OF JEAN LAFFITE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

GENERAL FUND

For the Year Ended June 30, 2018

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
Public Safety				
Salaries - officers	134,293	130,000	(4,293)	140,000
Retirement - police	-	-	-	-
Redflex collection fees	30,541	15,556	(14,985)	-
Supplies - police	18,709	15,000	(3,709)	15,000
Victims assistance grant costs	13,065	20,000	6,935	20,000
Total Public Safety	<u>196,608</u>	<u>180,556</u>	<u>(16,052)</u>	<u>175,000</u>
Public Works				
Road maintenance - supplies	191	500	309	1,000
Total Public Works	<u>191</u>	<u>500</u>	<u>309</u>	<u>1,000</u>
Urban Planning and Housing				
CDBG housing assistance program	176,597	180,500	3,903	625,500
Total Urban Planning and Housing	<u>176,597</u>	<u>180,500</u>	<u>3,903</u>	<u>625,500</u>
Culture and Recreation				
Seafood festival costs	-	-	-	-
Senior Center expenditures	3,068	4,000	932	4,000
Special events - other	54,818	54,500	(318)	45,000
Tourism costs	37,665	35,000	(2,665)	12,000
Artist costs	568	500	(68)	-
Total Culture and Recreation	<u>96,119</u>	<u>94,000</u>	<u>(2,119)</u>	<u>61,000</u>
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay				
Land, buildings and improvements	2,784	-	(2,784)	-
Furniture, fixtures and equipment	-	-	-	7,500
Vehicles and heavy equipment	-	-	-	-
Total Capital Outlay	<u>2,784</u>	<u>-</u>	<u>(2,784)</u>	<u>7,500</u>
Total Expenditures	<u>\$ 1,630,187</u>	<u>\$ 1,619,481</u>	<u>\$ (10,706)</u>	<u>\$ 2,059,550</u>

TOWN OF JEAN LAFITTE, LOUISIANA

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

For the Year Ended June 30, 2018

	Capital Projects Fund
REVENUES	
Taxes	\$ -
Intergovernmental	
Federal	482,023
State	-
Parish/local	148,589
Interest	-
Other	-
Total Revenues	<u>630,612</u>
EXPENDITURES	
Capital Outlay	
Land	-
Architect/Engineering	111,314
Construction	-
Equipment and Fixtures	19,886
Testing and Other	8,779
Total Expenditures	<u>139,979</u>
Excess (Deficiency) of Revenues over Expenditures	490,633
OTHER FINANCING SOURCES (USES)	
Transfers in	109,930
Transfers out	-
Total Other Financing Sources (Uses)	<u>109,930</u>
NET CHANGE IN FUND BALANCE	600,563
FUND BALANCE	
Beginning of year	(569,672)
End of year	<u>\$ 30,891</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, 2018

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

TOWN OF JEAN LAFITTE, LOUISIANA

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Head Name/Title:

Timothy P. Kerner, Mayor

<u>Purpose</u>	<u>Amount</u>		
Salary	\$	80,000	(1)
Taxes - Federal (Social Security and Medicare)		6,200	(2)
Benefits - Retirement		19,800	(3)
Benefits - Insurance (Group Health)		11,410	(4)
Benefits - Other		-	(5)
Vehicle Provided by Agency		1,050	(6)
Per Diem		-	
Reimbursements		-	
Travel (meal per diems)		-	
Travel (gas and parking)		3,600	
Registration Fees		-	
Conference Travel		576	(7)
Continuing Professional Education Fees		-	
Housing		-	
Unvouchered Expenses		-	
Special Meals		2,800	(8)

Notes to Schedule:

- (1) The Mayor's salary is set by Town Ordinance.
- (2) The Town and its employees pay social security and medicare taxes. This amount represents the amount of taxes paid by the employer (the Town) on this employee's taxable wages.
- (3) All full-time employees of the Town, including the Mayor, are members of the Louisiana Municipal Employees Retirement System (MERS). Under this plan, the Town is required to pay 24.75% 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 2018.
- (4) The Town pays for the health insurance coverage for all full-time employees. The Mayor had healthcare coverage elsewhere; however, during the year this coverage was discontinued. The Mayor was able to be added to the Town's group policy. This amount represents the amounts paid for his coverage during the year.
- (5) The Town paid for a life insurance policy on the Mayor. This was the cost of that policy.
- (6) 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 2018, the amount included in the Mayor's taxable income is shown above.
- (7) Includes travel costs (airfare, hotel, parking, etc.) for the Louisiana Municipal Association's annual conference, travel to Baton Rouge and Washington DC, etc.
- (8) 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, 2018

State Source	Amount
Department of the Treasury - Tax/Fee Allocations	
Parish Transportation Funds	\$ 163,767
Beer Tax	3,113
	166,880
Facility Planning and Control	
State Capital Outlay - Fish/Seafood Market Construction	
Project No. FP&C 50-ME1-11-01	(61,873) (1)
Less amount shown as deferred inflow	61,873
	-
Louisiana Office of Community Development	
Senior Citizens Utility Income Assistance	20,000
	\$ 186,880

(1) This amount was recognized as a receivable in prior years but was never recognized as revenue. It was recorded as a "deferred inflow" since it was considered "unavailable" at year end. During 2018, the State disallowed these costs. Thus, the Town reversed the receivable and the deferred inflow.

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

TOWN OF JEAN LAFFITE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2018

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 - Cindy	97.036	1601-DR-LA	Project Completion	
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	
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- 2016	16.575	2014-VA-04/02/01/03-2840	1/1/2016	6/30/2017
Victim's Assistance Program Grant- 2017	16.575	2016-VA-04/02/01/03-1742	7/1/2017	6/30/2018
Street Sales Disruption - 2016				
	16.738	3484	1/1/2017	12/31/2017
Total Department of Justice				
Department of Transportation				
Passed Through Louisiana Dept of Public Safety				
Highway Safety Grant - SECT 405B - Special Enforcement WAVE 2017	20.616	2017-35-27	4/21/2017	9/30/2017
Total Department of Transportation				
Department of Housing and Urban Development				
Passed through Louisiana Office of Community Development				
Community Development Block Grant - Disaster Recovery - Seafood Market Additional Costs	14.228	26FSCC3502	Project Completion	
Passed through Jefferson Parish Office of Community Development				
Community Development Block Grant - Disaster Recovery - Auditorium Demo & Construction	14.228	29PARA3202	Project Completion	
Community Development Block Grant - Disaster Recovery - Town Streets/Drainage	14.228	Unknown	Project Completion	
Community Development Block Grant - Disaster Recovery - Isaac Drainage Improvements	14.228	Unknown	Project Completion	
CDBG/Home Investment Partnership Program - Housing Assistance				
	14.239	Unknown	Project Completion	
Total Department of Housing and Urban Development				
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, 2017 to June 30, 2018. 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, even though the Town was not required to have such an audit done for the year ended June 30, 2018.

- (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, 2018, the Town had outstanding receivables of \$59,606 from FEMA/GOHSEP which were considered "unavailable" and recognized on the Balance Sheet as "deferred inflows". The "current revenues" shown on this schedule reflect the net of current year revenues and the change in prior year receivables/deferred inflows. Thus, the fund financial statements show current year revenue on FEMA grants of \$99,719. The difference between this number and the \$54,023 shown above is the \$(45,696) current year change in deferred inflows and receivables in the General Fund. In the Capital Project Funds, \$110,989 of receivables are considered "unavailable" and have been recorded as "deferred inflows". The "current revenues" shown on this schedule reflects the net of current year revenues and the changes in receivables/deferred inflows.
- (2) Current year expenditures on these FEMA Public Assistance Grants are made up of consulting fees paid to help close out the Project Worksheets. Ultimately, these costs will be reimbursed by FEMA through a Project Worksheet; however, as of June 30, 2018 no worksheet has been written. Since there is no worksheet, there is no obligation to pay as of yet. When the work is completed, the PW will be written and the Town will be reimbursed.

PRIOR YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR RECEIPTS	CURRENT YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR REVENUES	FEDERAL EXPENDITURES	
\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ 11,368	-	\$ 11,368	-	-	-
(24,452)	-	(24,452)	-	-	-
-	99,719	-	99,719	-	(2)
110,329	-	64,633	(45,696)	-	(2)
8,057	-	8,057	-	-	-
105,302	99,719	59,606	54,023	-	(1)

12,385	13,456	-	1,071	1,071
-	21,560	8,267	29,827	29,827
12,385	35,016	8,267	30,898	30,898

5,075	5,308	-	233	233
5,075	5,308	-	233	233
17,460	40,324	8,267	31,131	31,131

303	303	-	-	-
303	303	-	-	-

303	303	-	-	-
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-	-	-	-	-
-	-	-	-	-

340,939	371,830	-	30,891	-
-	(796)	-	(796)	-
-	-	110,989	110,989	110,989
340,939	371,034	110,989	141,084	110,989
(6,941)	176,597	(6,941)	176,597	176,597
333,998	547,631	104,048	317,681	287,586
\$ 457,063	\$ 687,977	\$ 171,921	\$ 402,835	\$ 318,717
\$ 457,063	\$ 687,977	\$ 171,921	\$ 402,835	\$ 318,717

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

General Fund	45,696
Capital Projects Fund	340,939
Current year revenue	\$ 789,470

Recognized in:

General Fund - as current year revenues	\$ 307,447
Capital Project Fund - as current year revenues	482,023
	\$ 789,470

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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, 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, 2018, 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 31, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

December 31, 2018

Town of Jean Lafitte, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Town of Jean Lafitte, Louisiana (the "Town").
2. No deficiencies in internal control over financial reporting are reported in the *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*.
3. No instances of noncompliance material to the financial statements of the Town, which is required to be reported in accordance with *Governmental Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued for the year ended June 30, 2018.

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

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

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAM

A single audit was not required as the expenditures of federal awards did not exceed \$750,000.



**Town of Jean Lafitte, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018**

SECTION I - FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit in the prior year.

(END OF REPORT)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by management of the Town of Jean Lafitte, Louisiana (the "Town") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2017 through June 30, 2018. The Town's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

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

Written Policies and Procedures

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

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

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

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

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The Town's Ethics policy requires all Town employees and elected officials to provide written acknowledgement that they have reviewed the Ethics policy upon being elected or hired, not annually.

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

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

Council

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

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

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

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

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

Results: The Board minutes did not reference or include budget-to-actual comparisons for any month in the fiscal year.

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

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

Collections

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

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

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

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

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

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

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

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

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

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

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

- 5) Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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

- 6) Randomly select two deposit dates for each of the Town's 3 bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

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

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

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

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

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

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

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

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

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

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

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

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

- 8) For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

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

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

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

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

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

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

- 9) For each location selected in #7 above, obtain the Town's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

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

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

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

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

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

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

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

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

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

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

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

12) Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for all transactions (i.e. each card should have 10 transactions subject to testing). For each transactions, observe that it's supporting by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

Travel and Expense Reimbursement

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

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

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

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

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

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

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

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

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

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

Payroll and Personnel

- 14) Obtain a listing of all employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

- 15) Randomly select one pay period during the fiscal period. For the 5 employees selected under #14 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

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

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

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

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

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

- 16) Obtain a listing of those employees who received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

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

- 17) Obtain management's representation that employer and employee portions of payroll taxes retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

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

Ethics

- 18) Using the 5 randomly selected employees from procedure #14 under "Payroll and Personnel" above obtain ethics documentation from management, and:

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

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

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

Results: There was no evidence of employees attesting through signature verification that they read the Town's ethics policy during the fiscal period for all five selections.

Other

- 19) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Town reported the misappropriation(s) to the legislative auditor and the District Attorney of the Parish in which the Town is domiciled.

Results: Management represented that they were not aware of any misappropriations of public funds or assets during the fiscal period.

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

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

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

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

Cam, Riggs & Ingram, L.L.C.

December 31, 2018



TOWN OF JEAN LAFITTE
OFFICE OF THE MAYOR



TIMOTHY P. KERNER
MAYOR



COUNCIL MEMBERS

SHIRLEY GUILLIE
MAYOR PROTEM

YVETTE CRAIN
TOWN CLERK

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Lafitte, Louisiana 70067
Office: (504) 689-2208
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BARRY BARTHOLOMEW
CHRISTY CREPPEL
VERNA SMITH
CALVIN LEBEAU

MARCELL RODRIGUEZ
CHIEF OF POLICE
December 21, 2018

Carr, Riggs, & Ingram and the
Louisiana Legislative Auditor

We appreciate this opportunity to provide explanations for any exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period July 1, 2017 to June 30, 2018. The Town of Jean Lafitte, Louisiana is committed to providing the best services to its citizens and spending the public money provided to us in the most efficient manner possible.

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

AUP 1(i) – The Town’s ethics policy requires all Town employees and elected officials to provide written acknowledgement that they have reviewed the ethics policy upon being elected or hired, not annually.

RESPONSE: We know of no written law or policy that requires an annual acknowledgement of municipal employees that they have reviewed their town’s ethics policy. We require it upon election or hire and we require that the elected official or employee comply with the annual ethics continuing education requirement of taking the one hour online course offered by the State each year. We will change our policy in 2019 to include an annual certification.

AUP 2(b) - The Board minutes do not reference or include budget-to-actual comparisons for any month in the fiscal year.

RESPONSE: The Town’s policy is to provide the Board with budget-to-actual comparisons for the General Fund on a quarterly basis and this was done so during the fiscal year ended June 30, 2018 for each quarter of the year. The budget-to-actual comparisons were prepared by an outside CPA and included in the Board’s packet for the respective period. The fact that there was no questions or formal review of the budget-to-actual statements is the reason that they are not mentioned in the minutes. We will make sure to include some reference in 2019 when they are provided.

AUP 18(b) – There was no evidence of employees attesting through signature verification that they read the Town’s ethics policy during the fiscal period for all five selections.

RESPONSE: As noted in our response to AUP 1(i) above, we know of no written law or policy that requires an annual acknowledgement of municipal employees that they have reviewed their town’s ethics policy. We require it upon election or hire and we require that the elected official or employee comply with the annual ethics continuing education requirement of taking the one hour online course offered by the State each year. We believe that this is sufficient.

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

Sincerely,

A handwritten signature in cursive script that reads "Timothy P. Kerner". The signature is written in black ink and is positioned above the printed name.

Mayor Timothy P. Kerner
Town of Jean Lafitte