

TOWN OF JEAN LAFITTE

FINANCIAL REPORT

**For the Year Ended
June 30, 2023**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Jean Lafitte (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 - 15; Schedule of the Town's Proportionate Share of the Net Pension Liability (MERS-Plan A on page 54); Schedule of the Town's Pension Contributions (MERS-Plan A on page 55); Schedule of the Town's Proportionate Share of the Net Pension Liability (MPERS-Plan A on page 56); Schedule of the Town's Pension Contributions (MPERS on page 57); Notes to Required Supplementary Information on page 58; and the General Fund's Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual on page 59, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The General Fund Schedule of Revenues - Budget to Actual; General Fund Schedule of Expenditures - Budget to Actual; Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund; Schedule of Councilpersons' Compensation; Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer; Schedule of State Funding; Justice System Funding Schedule - Collecting/Disbursing Entity; and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the General Fund Schedule of Revenues - Budget to Actual; General Fund Schedule of Expenditures - Budget to Actual; Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund; Schedule of Councilpersons' Compensation; Schedule of Compensation and Other Payments to Agency Head or Chief Executive Officer; Schedule of State Funding; the Justice System Funding Schedule - Collecting/Disbursing Entity; and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



EISNERAMPER LLP
Metairie, Louisiana
March 29, 2024



REQUIRED SUPPLEMENTARY INFORMATION - PART I

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TOWN OF JEAN LAFITTE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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, 2023. 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, 2023.
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$35,567,525. Of this amount, \$35,859,413 or 100.8% is invested in capital assets, such as land, buildings, equipment, vehicles and infrastructure. The remaining balance is a deficit of \$(291,888) or (0.8) %.
- The Town's total net position increased by \$3,112,893 during 2023. The majority of this increase has to do with federal and state funding received on expenses that were capitalized into capital assets.
- The Town implemented Government Accounting Standards Board (GASB) Statement 87, *Leases*, in the prior year. The Town is the "lessor" for three leases which provide real property to a fitness center and to the local State Representative. The Town does not have any material "lessee" leases. Under this Lease accounting standard, the Town reported a lease receivable and a deferred inflow of resources in the amount of \$1,733 and \$1,682, respectively, at year-end.
- Under GASB Codification Section P20, the Town records its proportionate share of the Net Pension Liability reported by the pension plan it participates in. At year end, this net pension obligation totaled \$617,416. 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 \$214,552 and deferred inflows were \$6,634.
- At June 30, 2023, the Town's governmental funds reported an ending fund balance of \$369,339, a decrease of \$(182,415) from the prior year. This includes \$494,296 in the General Fund and a deficit of \$(124,957) 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 \$391,080 or 105.9% of the total fund balance and 11.7% of current year expenditures in the General Fund.
- In August 2021, Hurricane Ida devastated the southwestern region of the Parish, including the Town of Jean Lafitte. While only a few lives were lost, the property damage to residences and businesses throughout the area was extensive. The Town had to work for months to clear mud and debris from the area. Residents and businesses were displaced for weeks. Claims have been filed with FEMA and with the Town's insurance companies. A Community Disaster Loan (CDL) has also been received to help with cash-flow problems as regular sales taxes and fines and forfeitures continue to lag pre-storm figures. The recovery effort has been quick in some areas and slow in other; however, it continues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position					
Governmental Activities					
June 30,					
		<u>2023</u>		<u>2022</u>	
Current and other assets	\$ 2,035,442			\$ 1,693,239	
Capital assets	35,859,413			32,283,926	
Total assets	<u>37,894,855</u>			<u>33,977,165</u>	
Deferred outflows - pension-related	<u>214,552</u>			<u>126,935</u>	
Current liabilities	1,664,421			1,121,964	
Non-current liabilities - other	251,999			-	
Non-current liabilities - pension-related	617,416			400,333	
Total liabilities	<u>2,533,836</u>			<u>1,522,297</u>	
Deferred inflows - leases	1,682			8,388	
Deferred inflows - pension-related	6,364			118,783	
	<u>8,046</u>			<u>127,171</u>	
Net Position					
Net investment in capital assets	35,859,413	100.8%		32,283,926	99.5%
Restricted for Capital Projects	-	0.0%		-	0.0%
Unrestricted					
Designated	-	0.0%		-	0.0%
Undesignated	(291,888)	-0.8%		170,706	0.5%
Total net position	<u>\$ 35,567,525</u>	<u>100.0%</u>		<u>\$ 32,454,632</u>	<u>100.0%</u>

The "net investment in capital assets" totals \$35,859,413 and represents the Town's net book value of its capital assets, net of any related debt. It is the accumulation of the Town's investments in capital assets over the years. These assets are not available for spending. The remaining balance in the undesignated portion has actually gone into a deficit balance of \$(291,888).

Reporting under GASB Codification Section P20 related to pensions results in the recognition of deferred inflows and outflows of resources related to the pension, and a non-current liability for pension obligations. Under GASB Codification Section L20 related to leases, deferred inflows on leases are also reported.

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

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

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

	2023	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 1,164,292	\$ 198,092
Operating Grants and Contributions	1,047,393	404,256
Capital Grants and Contributions	4,018,581	814,999
General Revenues:		
Taxes	374,988	479,037
Gaming	351,864	397,416
Unrestricted Interest Earnings	55,511	2,337
Insurance Proceeds	428,787	709,450
Miscellaneous Revenues	9,271	8,990
Gain (loss) on disposal/impairment of equipment	(36,871)	(474,027)
Gain (loss) on termination/waiver of lease payments	-	(4,232)
Total Revenues	7,413,816	2,536,318
Expenses		
General Government	2,044,566	1,816,841
Public Safety	216,703	199,384
Public Works	399,702	361,258
Culture and Recreation	1,639,952	607,107
Total Expenses	4,300,923	2,984,590
Change in Net Position	3,112,893	(448,272)
Net Position - Beginning	32,454,632	32,902,904
Net Position - Ending	\$ 35,567,525	\$ 32,454,632

Charges for services include licenses and permits, facility rentals, fines and forfeitures, and special event charges. For 2023, this category was up \$966,200 due to 1) an increase of \$77,405 in the general government function due to an increase of \$51,981 in facility rentals and an increase of \$15,536 in insurance premium fees, 2) an increase of \$57,277 in public safety function due to an increase in fines and forfeitures (more traffic returning to the area post-Ida), and 3) an increase in the culture and recreation function of \$831,518 due to an increase in special events (primarily due to the 2022 seafood festival).

Operating grants include state allocations for parish transportation funds, beer taxes, state grants to the seafood market, senior citizen utilities grants, on-behalf payments made to the pension plan by non-employer entities, American Rescue Plan Act (ARPA) Grants, and donations from other sources. For 2023, operating grants increased \$643,137 primarily due to 1) an increase of \$628,364 in the general government function mainly due to a decrease of \$(111,322) in Hurricane Ida donations (non-recurring) and an increase of \$740,307 in American Rescue Plan Act (ARPA) funding (claimed through the “revenue loss” category) and 2) and increase of 49,611 in the public safety function due to an increase in the Victims Assistance Grant activity.

Capital Grants include various grants from federal, state and parish/local sources to help fund major construction activity in the Town. The capital funding includes CDBG Disaster Recovery Grants, DOTD Grants, FEMA grants, State Capital Outlay funds, grants from other agencies, and miscellaneous grants from the Parish for repairs and improvements. For 2023, this category was up \$3,203,582 mainly due to 1) an increase of \$255,501 in the general government function primarily coming from FEMA public assistance grants (up \$253,377), 2) a decrease of \$(50,441) in the public safety function mainly caused by the non-recurrence of a state grant received last year for a

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

police car (down \$49,639), 3) an increase of \$956,880 in the public works function due to a write off of \$(129,740) that was due on the CDBG Disaster Recovery Grant for drainage which was deemed uncollectible, an increase of \$873,620 in DOTD sidewalk grants, an increase of \$200,000 from a state grant for a tractor/high water vehicle, and an increase of \$13,000 from a parish grant for a high water vehicle, and 4) an increase in the culture and recreation function of \$2,041,642 resulting from an increase of \$1,074,041 in funding from state capital outlay funds on the Wetlands Project (contract #50-ME1-18-01), an increase of \$182,440 from the CPRA National Resource Damage Assessment grants for the Wetlands Education Center, an increase of \$250,000 from Jefferson Parish for the Wetlands Center, and an increase of \$549,790 from a Jefferson Parish grant towards the Sidewalk project.

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 \$(104,049), due to changes in sales taxes (down \$109,086) and franchise fee revenues (up \$5,037). Sales taxes were down mostly due to citizens purchasing motor vehicles after the flooding caused by Hurricane Ida in the prior year and these purchases did not recur in 2023. Franchise fees were up as residents began to reconnect after repairing their house from damage caused by Hurricane Ida.

Gaming includes money received from the Parish for the Town’s allocation of Boomtown Belle Casino boarding fees (the Town receives 5% of the fees) and the allocation received from the State for video poker machines within the Town limits. This category went down \$(45,552), mostly due to a decrease in fees from the Boomtown Belle Casino boarding fee (typically there is an influx of cash into the area in the aftermath of a storm and then a downturn when the recovery workers leave the area).

Unrestricted interest was up \$53,174 as more funds were on hand during the year earning interest for the Town and interest rates earned increased.

Insurance Proceeds dropped \$(280,663) and **Miscellaneous Revenues** increased \$281, respectively. Insurance proceeds were down due to the non-recurrence of claims from Hurricane Ida (settlements were wrapping up).

Gain (Loss) on Disposal/Impairment of Equipment was up \$437,156 as impairments to assets caused by Hurricane Ida were recorded in the prior year and this did not recur in 2023.

Gain (Loss) on Termination/Waiver of Lease Payments was up \$4,232 as Hurricane Ida-related lease terminations were recognized last year and this did not recur in 2023.

Expenses totaled \$4,300,923 for 2023, an increase of \$1,316,333. The **General Government Function** was up \$227,725 due to an increase in group health costs (up \$26,742), an increase in contract labor (up \$83,558), an increase in donations to nonprofits (up \$100,000), a decrease in emergency costs (down \$(267,267)), an increase in insurance (up \$39,411), an increase in legal/magistrate costs (up \$22,615), an increase in repairs and maintenance (up \$133,764), an increase in utilities (up \$12,702), and an increase in pension expense (up \$50,618). **Public Safety** costs went up \$17,319, mostly due to an increase in Redflex collection fees (up \$14,232) and an increase in the Victim’s Assistance Grant costs (up \$5,864). **Public Works** were up \$38,444, due to an increase of \$38,577 in depreciation expense. **Culture and Recreation** increased \$1,032,845 due to an increase in Seafood Festival costs (up \$1,031,279), an increase in special events – other (up \$22,640), a decrease in tourism costs (down \$(38,496)), and an increase in depreciation expense (up \$18,087).

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, 2023

As of June 30, 2023, the Town's governmental funds reported combined ending fund balances of \$369,339, a decrease of \$(182,415) from the prior year. \$103,216 or 27.9% is classified as *non-spendable fund balance*, and the balance of \$266,123 or 72.1% is classified as *unassigned fund balance*, which is available for spending at the Town's discretion. This amount is a net of the General Fund's *unassigned fund balance* of \$391,080 and the Capital Projects fund's *unassigned fund balance* of \$(124,957) 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, 2023, governmental revenues totaled \$7,451,233. Of this amount, \$3,910,126 was recorded in the General Fund and \$3,541,107 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 \$494,296. Unassigned fund balance of the General Fund totaled \$391,080, which is 105.9% 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 2023, the unassigned fund balance equaled 11.7% of the current year expenditures of the fund (down from 24.9% last year).

The General Fund's revenues totaled \$3,910,126 for 2023.

- Taxes totaled \$374,988, including sales taxes of \$293,219 and franchise taxes of \$81,769. In total, this was a decrease of \$(104,048) or 21.7 from last year (mostly in sales taxes, driven by motor vehicle taxes collected in the aftermath of Hurricane Ida not recurring in 2023).
- Intergovernmental revenues totaled \$1,522,913, including \$1,054,953 from federal grants, \$438,182 from state grants and allocations, and \$29,778 from parish/local grants. In total, this was an increase of \$1,185,460 or 351.3% over last year. The majority of this increase had to do with 1) a net increase in federal grants (up \$1,016,702 due to increases in FEMA public assistant grants (up \$267,586) and the recognition of the American Rescue Plan Act (ARPA) Grant in the current year (up \$740,307)), 2) a net increase in state grants (up \$157,679 due to a new grant from the State for a tractor/high water truck (up \$200,000), an allocation of taxes to the seafood market (up \$42,325), a drop in state grants for a police car (down \$(49,639)), and a drop in state grants for tourism (down \$(41,662))), and 3) a net increase in parish/local grants of \$11,078 due to a \$13,000 grant from the parish for high water vehicle.
- Licenses and permits totaled \$86,810, which was an increase of \$26,270 or 43.4% over last year, mostly in occupational licenses, insurance premium fees, and building permits (due to rebuilding post Hurricane Ida).
- Service charges, rentals and fees totaled \$147,104. In total, this was an increase of \$51,136 or 53.3% over last year (mostly in facility rentals as the facilities reopened).
- Fines and forfeitures totaled \$87,178, which was an increase of \$57,277 or 191.6% over last year (mostly in Redflex tickets as the speeding machines were put back in place).
- Gaming fees and commissions totaled \$351,864, which is a decrease of \$(45,552) or 11.5% from last year. These fees come from the Boomtown Casino boarding fees. Boomtown increased in the prior year due to an influx of cash into the economy in the aftermath of Hurricane Ida. This did not continue into 2023.
- Interest income totaled \$55,511, which was an increase of \$53,174 or 2,275.3% over last year. The increase was due to more available cash balances and a large increase in rates.
- Other income totaled \$1,283,758, which is up \$439,314 or 52.0% over last year. The increase was mostly a net change from 1) an increase of \$832,523 in Special Events and Festivals revenues, 2) a decrease of \$(280,663) in insurance proceeds, and 3) a decrease of \$(111,322) in contributions for hurricane relief. The increase in Special Events and Festivals revenues was caused by the 2022 Seafood Festival being held in November 2022 (where none was held in the prior year). The decreases in insurance proceeds and contributions both related to Hurricane Ida and the non-recurrence of these items.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

Expenditures of the General Fund totaled \$3,337,436, which was \$1,247,067 or 59.7% more than last year. The largest changes were seen in the Culture and Recreation Function, which was up \$1,014,758, mainly due to an increase in the seafood festival costs (the festival was held in November 2022). The General Government Function also saw an increase in salaries and benefits (up \$12,853) and an increase in general and administrative costs (up \$160,922). Salaries and benefits were up mostly due to an increase in health insurance costs. General and Administrative Costs were up due to various increases and decreases in several line-items – contract labor, donations to nonprofits, emergency response – hurricanes, insurance, legal/magistrate, repairs and maintenance, and utilities. The Public Safety function went up \$16,655, mostly due to increases in Redflex collection fees (as machines were turned back on once the Ida recovery period was over). Finally, capital outlay was up \$42,012 as the Town made several capital outlay purchases in 2023 (a tractor and a tool container).

The **Capital Projects Fund** incurred \$4,548,211 on various construction projects, including the Lafitte Levee Path #4 Bike Trail, the Lafitte Sidewalk Beautification project, the CDBG/CPRA-Wetlands Education Center project, the Lafitte Warehouse Project, and the Lafitte Bridge Park project. This included \$224,989 in architect fees, \$2,659,338 in construction costs, \$1,651,986 in exhibits/equipment, and \$11,898 in other expenditures. \$3,541,107 was recognized as revenue from various federal and state grants. Net transfers to and from the General Fund also totaled \$971,411 to help cover costs on these projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were increased \$432,555 to reflect 1) an increase of \$2,400 in taxes, 2) a net decrease of \$(358,495) in intergovernmental revenues (primarily for a decrease in Federal Grants of \$(1,000,000) from FEMA as grants are delayed, an increase in Federal Grants for ARPA Grants of \$370,455, an increase of \$10,000 in Parish Transportation Funds from the State, an increase of \$42,325 in State Grants for Seafood Market Grants, an increase of \$200,000 in State Grants for a Tractor/High Water Vehicle, and an increase of \$13,000 in Parish Grants for a tractor, 3) an increase of \$16,250 in licenses and permits, 4) an increase of \$48,900 in service charges, rentals and fees, 5) a decrease of \$(8,250) in fines and forfeitures, 6) a decrease of \$(55,000) in gaming fees and commissions, 7) an increase in interest of \$53,800, and 8) an increase in Other Income of \$732,950 mainly due to an increase in insurance proceeds and special event revenues.

Budgeted expenditures of the General Fund decreased \$(283,774). General Government costs increased \$11,803 mostly due to 1) a decrease of \$(35,000) in salaries, 2) an increase of \$9,000 in retirement, 3) an increase of \$10,700 in health insurance costs, 4) an increase of \$12,500 in auto and truck costs, 5) an increase of \$95,000 in contract labor, 6) an increase of \$100,000 in donations to nonprofits, 7) a decrease of \$(335,767) in emergency response costs, 8) an increase of \$12,500 for the Ida operating tool program, 9) an increase of \$9,000 in legal fees, 10) an increase of \$95,000 to repairs and maintenance, and 11) an increase of \$25,000 to utilities. Public Safety decreased \$(5,125) mostly due to 1) a decrease of \$(7,500) in salaries – officers, 2) a decrease of \$(2,000) in police supplies, and 3) an increase of \$4,000 in the Victims Assistance Grant expense. Culture and Recreation increased \$733,750 primarily to account for 1) an increase of \$710,000 in seafood festival costs, and 2) an increase of \$24,750 in special events – other. Capital Outlay costs were decreased \$(1,024,202) primarily due to 1) a decrease of \$(1,119,852) in land, buildings, and improvements, and 2) an increase of \$90,000 was made to vehicles and heavy equipment.

The Town's General Fund actual revenues were over the budget by \$150,119 or 4.0%. This is principally due to the Town collecting some insurance proceeds right before year end that were not expected until next year. The Town's general fund actual expenditures were over budget by \$63,083 or 1.9%. The General Government Function was over budget by \$(63,872), primarily in emergency response costs and insurance. The Public Safety Function exceeded its budget by \$(5,539), primarily due to an increase in Victims Assistance Grant costs. Transfers out to the Capital Project fund totaled \$1,207,129 during 2023 and transfer in totaled \$235,718. The Town only budgeted one transfer to the Capital Project fund for \$36,872. These additional transfers were necessitated when the State cancelled the Wetlands Center Funding under the Facilities, Planning & Control (FP&C) contract (#50-ME1-18-1). The Town is pursuing all legal actions available to it to get reimbursed under this contract.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

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, 2023 and 2022.

	Capital Assets, Net	
	Governmental Activities	
	June 30,	
	<u>2023</u>	<u>2022</u>
Land	\$ 690,985	\$ 690,985
Construction in Progress	7,076,710	2,565,370
Land Improvements	171,502	194,547
Buildings	16,893,060	17,490,111
Building Improvements	913,625	978,831
Furniture, Fixtures, and Equipment	186,242	217,391
Vehicles and Heavy Equipment	128,350	55,949
Infrastructure (Roads and Drainage)	9,798,939	10,090,742
Net Investment in Capital Assets	<u>\$ 35,861,436</u>	<u>\$ 32,285,948</u>

The majority of the capital additions for the year were for construction in progress as the Town continues to make capital improvements for the bike trail, sidewalks, Wetlands Education Center, and Warehouse. In addition, a tractor was purchased utilizing state and parish funds. For the year ended June 30, 2023, depreciation expense was \$1,031,255, as compared to \$970,595 last year.

Long-term Debt. In April 2022, the Town was approved for a Community Disaster Loan (CDL) in the aftermath of Hurricane Ida. During 2023, drawdowns against this loan totaled \$251,999. The loan bears an interest rate not to exceed 3.50% and is payable in 5 years, unless a hardship waiver can be proven. This amount is shown as a non-current liability in the Statement of Net Position.

Net Pension Liability. On the Statement of Net Position, the Town is also showing a non-current liability – pension-related totaling \$617,416. This represents the Town’s proportionate share of the Net Pension Liability of the Municipal Employees’ Retirement System. Under GASB Statement No. 68, the Town recognizes its share of the pension liabilities on its government-wide financial statements. This liability saw an increase in the current year (up \$217,083) due to changes in expected earnings, along with changes in assumptions, changes in proportionate share, changes in experience, etc.

ECONOMIC OUTLOOK

- The unemployment rate for the Parish of Jefferson (New Orleans-Metairie MSA) is currently 4.0 percent, which is 0.2 percent less than it was a year ago. In the fishing community of Lafitte, which is heavily dependent on offshore oil, tourism and commercial fisheries (primarily shrimping), the rate tends to be slightly higher at times. The COVID-19 pandemic, previous state-mandated closures and restrictions, and the effects of Hurricane Ida have had a major effect on the local rate. As the pandemic appears to have all but dissipated in the area, the recovery from the storm will also help improve the local rate.
- Inflationary trends in the region compare favorably to national indices, although they are trending up in the same way as they are nationally.
- The Town is continuing its construction projects, most of which are being funded through Federal, State and Parish/Local grants. These construction projects include the Levee Path #4 Bike Trail, the sidewalk beautification project, the Wetlands Education Center, and the Lafitte Warehouse project. Despite the dispute with the State on the Wetlands Education Center funding, it is anticipated that all of the projects will receive the funding in accordance with existing contracts and grants.

TOWN OF JEAN LAFITTE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2023

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

FURTHER INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town’s finances and to demonstrate the Town’s accountability for the money it receives. If you have any questions about this report or need additional information, contact the Mayor or Town Clerk at the Temporary Town Hall, 4917 City Park Drive, Lafitte, LA 70067 or call (504) 689-2208 during office hours.

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BASIC FINANCIAL STATEMENTS

TOWN OF JEAN LAFITTE, LOUISIANA

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash	\$ 1,383,733
Investments	183,986
Receivables - operating	362,774
Receivables - leases	1,733
Prepaid items	103,216
Total current assets	<u>2,035,442</u>
Capital Assets, not being depreciated	7,767,695
Capital Assets, net of depreciation	28,091,718
Total capital assets	<u>35,859,413</u>
 Total Assets	 <u>37,894,855</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension-related	<u>214,552</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	1,632,575
Salaries and benefits payable	31,846
Unearned revenues	-
Total Current Liabilities	<u>1,664,421</u>
Non-Current Liabilities:	
Loans payable - Community Disaster Loan	251,999
Accrued interest payable - Community Disaster Loan	-
Net pension liability	617,416
Total Liabilities	<u>2,533,836</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - leases	1,682
Deferred inflows - pension-related	6,364
	<u>8,046</u>
NET POSITION	
Net investment in capital assets	35,859,413
Restricted for capital projects	-
Unrestricted	(291,888)
Total Net Position	<u>\$ 35,567,525</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, 2023

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
General Government	\$ 2,044,566	\$ 233,914	\$ 944,752	\$ 245,320	\$ (620,580)
Public Safety	216,703	87,178	55,817	2,376	(71,332)
Public Works	399,702	-	-	956,880	557,178
Culture and Recreation	1,639,952	843,200	46,824	2,814,005	2,064,077
Intergovernmental	-	-	-	-	-
Total Governmental Activities	<u>\$ 4,300,923</u>	<u>\$ 1,164,292</u>	<u>\$ 1,047,393</u>	<u>\$ 4,018,581</u>	<u>1,929,343</u>
General Revenues:					
Taxes					
Sales taxes					293,219
Franchise taxes					81,769
Gaming					
Boomtown fees					351,864
Unrestricted interest					55,511
Insurance proceeds					428,787
Miscellaneous revenues					9,271
Gain (loss) on disposal/impairment of equipment					(36,871)
Gain (loss) on termination of lease					-
Total General Revenues					<u>1,183,550</u>
Change in net position					3,112,893
Net Position - Beginning of year					32,454,632
Net Position - end of year					<u>\$ 35,567,525</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, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 1,383,733	\$ -	\$ 1,383,733
Investments	183,986	-	183,986
Receivables - general	139,295	223,479	362,774
Due from other funds	-	887,961	887,961
Receivables - leases	1,733	-	1,733
Prepaid items	103,216	-	103,216
Total Assets	<u>\$ 1,811,963</u>	<u>\$ 1,111,440</u>	<u>\$ 2,923,403</u>
LIABILITIES			
Accounts payable	\$ 396,178	\$ 1,236,397	\$ 1,632,575
Salaries and benefits payable	31,846	-	31,846
Due to other funds	887,961	-	887,961
Unearned grant revenues	-	-	-
Total liabilities	<u>1,315,985</u>	<u>1,236,397</u>	<u>2,552,382</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - leases	1,682	-	1,682
Unavailable grant revenue	-	-	-
	<u>1,682</u>	<u>-</u>	<u>1,682</u>
FUND BALANCES			
Non-spendable	103,216	-	103,216
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	391,080	(124,957)	266,123
Total fund balances	<u>494,296</u>	<u>(124,957)</u>	<u>369,339</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,811,963</u>	<u>\$ 1,111,440</u>	<u>\$ 2,923,403</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, 2023**

Total fund balances at June 30, 2023 - Governmental Funds	\$ 369,339
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.	-
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets	54,188,124
Less accumulated depreciation	(18,328,711)
Deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred and expensed as consumed.	
Deferred outflows - pension-related	214,552
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	(251,999)
Accrued interest payable - Community Disaster Loan	-
Net pension liability	(617,416)
Deferred inflows related to the pension plans are not yet available and, therefore, are deferred and recognized as revenue in future periods.	
Deferred inflows - pension-related	(6,364)
Net position of governmental activities at June 30, 2023	<u>\$ 35,567,525</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, 2023

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 374,988	\$ -	\$ 374,988
Intergovernmental			
Federal	1,054,953	743,879	1,798,832
State	438,182	1,997,437	2,435,619
Parish/local	29,778	799,791	829,569
Licenses and permits	86,810	-	86,810
Service charges, rentals and fees	147,104	-	147,104
Fines and forfeitures	87,178	-	87,178
Gaming fees and commissions	351,864	-	351,864
Interest - banking and checking	55,511	-	55,511
Other	1,283,758	-	1,283,758
Total Revenues	<u>3,910,126</u>	<u>3,541,107</u>	<u>7,451,233</u>
EXPENDITURES			
Current:			
General government	1,943,575	-	1,943,575
Public safety	216,039	-	216,039
Public works	262	-	262
Culture and recreation	1,082,158	-	1,082,158
Capital Outlay	95,402	4,548,211	4,643,613
Total Expenditures	<u>3,337,436</u>	<u>4,548,211</u>	<u>7,885,647</u>
Excess (Deficiency) of Revenues over (under) Expenditures	572,690	(1,007,104)	(434,414)
OTHER FINANCING SOURCES (USES)			
Transfers in	235,718	1,207,129	1,442,847
Transfers out	(1,207,129)	(235,718)	(1,442,847)
Proceeds from disaster loan	251,999	-	251,999
Gain (loss) on termination of lease	-	-	-
Total Other Financing Sources (Uses)	<u>(719,412)</u>	<u>971,411</u>	<u>251,999</u>
NET CHANGE IN FUND BALANCES	(146,722)	(35,693)	(182,415)
FUND BALANCES			
Beginning of year	641,018	(89,264)	551,754
End of year	<u>\$ 494,296</u>	<u>\$ (124,957)</u>	<u>\$ 369,339</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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	(182,415)
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		(11,133)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, impairments, and donations) is to decrease net position		(36,871)
Governmental funds report loan proceeds as other financing sources. However, in the Statement of Activities, these receipts are not recorded. Instead, the proceeds are shown on the Statement of Net Position as loans payable.		(251,999)
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	\$	4,643,613
Depreciation Expense		(1,031,255)
		3,612,358
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		(113,516)
Current year amortization of certain deferred inflows and outflows		1,807
Recognition of On-Behalf Payments made to pension plan by non-employer entities		10,587
Deferral of current year pension contributions made by employer		84,075
Changes in Net Position of Governmental Activities	\$	3,112,893

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, 2023

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, 2023

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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D) Assets, Liabilities, and Fund Equity

1. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

Louisiana Revised Statutes, LSA - R.S. 33:2955, authorize the Town to invest in (1) direct United States Treasury obligations, (2) bonds, indentures, and notes issued or guaranteed by federal agencies, provided that such obligations are backed by the full faith and credit of the United States (including but not limited to the FHA, FFB, GNMA, FHLB, FHLMC, FNMA, etc.), (3) direct repurchase agreements of any federal book entry only securities enumerated in (1) or (2), (4) time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks, as defined by RS 6:703(16) or (17), (5) mutual or trust funds registered with the Securities Exchange Commission, (6) guaranteed investment contracts issued by a bank or entity having one of the two highest short-term rating categories of either Standard & Poor's or Moody's Investors Services, and (7) certain commercial grade commercial paper. The portfolio of the entity is limited in certain categories, for example, the investment in mutual funds cannot exceed 25 percent of the entity's portfolio. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a state sponsored external investment pool.

2. ACCOUNTS RECEIVABLE

Accounts receivable is 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, 2023 would not be material to the financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. LEASES

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

6. PREPAID ITEMS

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

7. CAPITAL ASSETS

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

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

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

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. COMPENSATED ABSENCES

Annual and sick leave is expended when claimed by the employees rather than when earned. Employees may not carry over or accumulate annual or sick leave. Employees are required to use their annual leave during the year following his/her anniversary date of employment. In the opinion of the Town's Administration, the liability due at June 30, 2023 would not be material to the financial statements.

9. LONG-TERM DEBT

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

10. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

Deferred Inflows – Unavailable Grant Revenues. Under the modified accrual basis of accounting, the Town recognizes revenues on expenditure-driven grants when they are both measurable and available (i.e., received during the period or within six months of the fiscal year end). When these revenues are considered “unavailable”, they are recorded on the governmental fund balance sheet as a deferred inflow of resources until they are received and recognized as revenue. The prior year amount of unavailable grant revenues (\$11,133) has been recognized in the current year (see Footnote 12.D. – Hurricane Isaac).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

11. FUND EQUITY

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

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

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

12. ACCOUNTING ESTIMATES

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

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Budget Adoption

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

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

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

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

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

B) Budget Amendments

The Town made supplemental budgetary adjustments during the year; the final one being made via Ordinance No. 519. Revenues of the General Fund were increased \$432,555 to reflect 1) an increase of \$2,400 in taxes, 2) a net decrease of \$(358,495) in intergovernmental revenues (primarily for a decrease in Federal Grants of \$(1,000,000) from FEMA as grants are delayed, an increase in Federal Grants for ARPA Grants of \$370,455, an increase of \$10,000 in Parish Transportation Funds from the State, an increase of \$42,325 in State Grants for Seafood Market Grants, an increase of \$200,000 in State Grants for a Tractor/High Water Vehicle, and an increase of \$13,000 in Parish Grants for a tractor), 3) an increase of \$16,250 in licenses and permits (as post Hurricane Ida activity increased), 4) an increase of \$48,900 in service charges, rentals and fees (primarily in facility rentals as post Hurricane Ida rentals increased), 5) a decrease of \$(8,250) in fines and forfeitures (due to a decrease in fines after Hurricane Ida), 6) a decrease of \$(55,000) in gaming fees and commissions (due to an expected decrease in commissions from the local casino after Hurricane Ida), 7) an increase in interest of \$53,800 (as interest rates increased), and 8) an increase in Other Income of \$732,950 mainly due to an increase in insurance proceeds (up \$268,700 due to Hurricane Ida settlements) and special event revenues (up \$462,500 due to the seafood festival).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures decreased \$(283,774). The most significant of the changes made are described below.

Fund/Function	Original Budget	Amendments	Final Budget
General Government	\$ 1,867,900	\$ 11,803	\$ 1,879,703
Public Safety	215,625	(5,125)	210,500
Public Works	500	-	500
Culture and Recreation	354,250	733,750	1,088,000
Capital Outlay	1,119,852	(1,024,202)	95,650
	<u>\$ 3,558,127</u>	<u>\$ (283,774)</u>	<u>\$ 3,274,353</u>

General Government costs increased \$11,803 mostly due to 1) a decrease of \$(35,000) in salaries (due to cutbacks in part-time workers), 2) an increase of \$9,000 in retirement (due to increases in rates), 3) an increase of \$10,700 in health insurance costs (due to increases in rates plus the Town now paying for 70% of family coverage), 4) an increase of \$12,500 in auto and truck costs (due to an increase in activity post-Ida), 5) an increase of \$95,000 in contract labor (due to an increase in temporary help cleaning up the town and its facilities), 6) an increase of \$100,000 in donations to nonprofits (a dedication of contributions received post-Ida to a local nonprofit), 7) a decrease of \$(335,767) in emergency response costs (as repairs to Ida damaged property was delayed), 8) an increase of \$12,500 for the Ida operating tool program, 9) an increase of \$9,000 in legal fees (due to various issues with contracts and the State), 10) an increase of \$95,000 to repairs and maintenance (due to continuing and increasing repairs to facilities), and 11) an increase of \$25,000 to utilities (due to increases in rates and buildings coming back on line).

Public Safety decreased \$(5,125) mostly due to 1) a decrease of \$(7,500) in salaries – officers (due to cut backs in overtime), 2) a decrease of \$(2,000) in police supplies, and 3) an increase of \$4,000 in the Victims Assistance Grant expense.

Culture and Recreation increased \$733,750 primarily to account for 1) an increase of \$710,000 in seafood festival costs (to account for an increase in the size of the festival), and 2) an increase of \$24,750 in special events – other (anticipated costs associated with the Halloween event, seafood market events, etc.).

Capital Outlay costs were decreased \$(1,024,202) primarily due to 1) a decrease of \$(1,119,852) in land, buildings, and improvements (as post-Ida repairs were delayed), and 2) an increase of \$90,000 was made to vehicles and heavy equipment (to account for the tractor purchase paid for with grants).

C) Expenditures in Excess of Budget

The General Fund's actual expenditures exceeded the final budget by \$63,083 or 1.9%. The following functions had expenditures in excess of budget.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Function	Actual Costs		Budget		Excess	
General Government	\$	1,943,575	\$	1,879,703	\$	63,872
Public Safety		216,039		210,500		5,539

The General Government Function was over budget \$63,872 primarily due to an overage of \$30,879 in emergency response costs and an overage of \$40,146 in repairs and maintenance costs. The Public Safety Function was over budget \$5,539 primarily due to an overage on the Victims Assistance Grant program. All of the overages were covered by available fund balance.

D) Deficit Fund Balances

The Town's Capital Projects Fund ended the year with a deficit fund balance of \$(124,957). It is anticipated that this deficit will be eliminated in future years as federal, state or local funding is received to fund the ongoing projects of the Town. The deficit was primarily caused by one project not receiving anticipated funding from the State due to delays in awarding grants. Management expects that these funds will be awarded in the near future and funding will cover past deficits.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A) Cash

At June 30, 2023, the carrying amount of the Town's cash deposits was \$1,383,733 the bank balance was \$1,443,600, 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, 2023 consist of \$183,986 invested in the Louisiana Asset Management Pool (LAMP); a State of Louisiana Sponsored external investment pool. LAMP is administered by LAMP, Inc., a corporation organized under the laws of the State of Louisiana. Only local governments may participate in LAMP. Because the investments are reported at net asset value, they are not categorized in one of the fair value hierarchies established by GASB Codification Section 150. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Information about Credit Risk and Interest Rate Risk can be obtained at LAMP's website at www.lamppool.com.

The primary objective of LAMP is to provide a safe environment for the placement of public funds, in short-term, high-quality investments. The LAMP portfolio included only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 4 – RECEIVABLES

Receivables at June 30, 2023 consist of the following:

Receivable	General Fund	Capital Projects Fund	Total
Taxes	\$ 43,100	\$ -	\$ 43,100
Service charges and fees	7,017	-	7,017
Intergovernmental			
Federal - FEMA	-	-	-
Federal - Other	10,497	133,273	143,770
State	21,194	-	21,194
Parish/Local	36,778	90,206	126,984
Licenses and permits	1,637	-	1,637
Fines and forfeitures	-	-	-
Gaming	17,843	-	17,843
Interest	68	-	68
Other	1,161	-	1,161
	<u>\$ 139,295</u>	<u>\$ 223,479</u>	<u>\$ 362,774</u>

The \$10,497 receivable from Federal – Other in the General Fund is related to the Victim’s Assistance Grant. The \$133,273 in the Capital Project Fund is made up of money due from the State DOTD Sidewalk Beautification Grant program (see note 5 for information on capital projects).

The \$21,194 receivable from the State in the General Fund is made up of \$834 for beer tax remittances, and \$20,360 in Parish Transportation Act Funding.

The \$36,778 due from Parish/Local sources in the General Fund is made up of billings to the Parish for the library (\$16,778) and the Senior Center (\$20,000). The \$90,206 receivable from the Parish/Local in the Capital Projects Fund is made up of \$43,630 due from the Parish for the Wetlands Center Construction Project and \$46,576 for the Sidewalk Beautification program (See Note 5 for information on capital projects).

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

For leases receivable information, see Note 10.

Unearned revenues include receipts for projects and events that have not yet occurred and, therefore, have not yet been “earned” or recognized as revenue. At June 30, 2023, the Town has no unearned revenues. In the prior year, the Town recognized two items totaling \$576,841 as unearned revenue – funds related to the Seafood Festival and funds related to the American Rescue Plan Act (ARPA). The Seafood Festival was supposed to take place in June 2022 (last fiscal year); however, it was postponed to November 2022 (this fiscal year). Any sponsorships or funding related to the festival received last year were placed into the unearned revenue category in order to match these revenues with the related expenditures in the 2023 fiscal year when the festival occurs. The amount recorded was \$206,989. This is included in Seafood Festival revenues in 2023. The Town also received \$369,852 of American Rescue Plan Act (ARPA) funding in the first tranche of funding related to this program in 2022. Due to delays caused by Hurricane Ida, this project was postponed. The revenues are recognized in 2023 (see Footnote 12.E for more information).

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the governmental funds for the year ended June 30, 2023 was as follows:

	Balance				Balance
	6/30/2022	Additions	Deletions	Transfers	6/30/2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 690,985	\$ -	\$ -	\$ -	\$ 690,985
Construction in progress	2,565,370	4,548,211	(36,871)	-	7,076,710
Total capital assets not being depreciated	3,256,355	4,548,211	(36,871)	-	7,767,695
Capital assets being depreciated:					
Land improvements	476,835	-	-	-	476,835
Buildings	24,085,793	-	-	-	24,085,793
Building improvements	2,071,048	-	-	-	2,071,048
Furniture, fixtures, and equipment	549,618	5,633	-	-	555,251
Vehicles and heavy equipment	319,327	89,769	-	-	409,096
Infrastructure (roads/drainage)	18,822,406	-	-	-	18,822,406
Total capital assets being depreciated	46,325,027	95,402	-	-	46,420,429
Less accumulated depreciation for:					
Land improvements	(282,288)	(23,045)	-	-	(305,333)
Buildings	(6,595,682)	(597,051)	-	-	(7,192,733)
Building improvements	(1,092,217)	(65,206)	-	-	(1,157,423)
Furniture, fixtures, and equipment	(332,227)	(36,782)	-	-	(369,009)
Vehicles and heavy equipment	(263,378)	(17,368)	-	-	(280,746)
Infrastructure (roads/drainage)	(8,731,664)	(291,803)	-	-	(9,023,467)
Total accumulated depreciation	(17,297,456)	(1,031,255)	-	-	(18,328,711)
Capital assets being depreciated, net					
Land improvements	194,547	(23,045)	-	-	171,502
Buildings	17,490,111	(597,051)	-	-	16,893,060
Building improvements	978,831	(65,206)	-	-	913,625
Furniture, fixtures, and equipment	217,391	(31,149)	-	-	186,242
Vehicles and heavy equipment	55,949	72,401	-	-	128,350
Infrastructure (roads/drainage)	10,090,742	(291,803)	-	-	9,798,939
Total capital assets being depreciated, net	29,027,571	(935,853)	-	-	28,091,718
Total Governmental Activities					
capital assets, net	\$ 32,283,926	\$ 3,612,358	\$ (36,871)	\$ -	\$ 35,859,413

Depreciation expense was charged to the functions of the governmental activities in 2023 as follows:

Function	
General Government	\$ 73,357
Public Safety	664
Public Works	399,440
Culture and Recreation	557,794
	<u>\$ 1,031,255</u>

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in progress at June 30, 2023 consisted of the following projects:

Project	Construction In Progress	Expended During 2023
Lafitte Levee Path #4 Bike Trail	\$ 36,366	\$ 7,424
Lafitte Sidewalk Beautification	2,172,858	1,187,692
Wetlands Education Center	4,819,084	3,267,822
Lafitte Warehouse	48,402	48,402
Lafitte Bridge Park	-	36,871
	<u>\$ 7,076,710</u>	<u>\$ 4,548,211</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.

A CDBG Disaster Recovery Grant paid for various street drainage projects throughout the Town in prior years. This project was completed in 2021; however, there was a receivable related to the project from the Parish that was still being carried forward. During 2023, the Town received word that the funding for this project had expired and this receivable would not be collected. As such, the receivable of \$129,740 was written off and is shown as a negative revenue of \$(129,740) under the CDBG Disaster Recovery Grant. This project is now closed.

The Lafitte Levee Path #4 Bike Trail is accounting for the construction of a bike path along one of the Town's levees. The project is in the design phase. A State Grant is supposed to be funding the majority of the costs; however, until the environmental review phase is completed, the Town will not be able to draw any funds down. During 2023, the Town spent \$7,424 on this project, bringing the total costs-to-date to \$36,366. These costs are being covered by transfers from the Town's General Fund into the Capital Project Fund until the Grant Funds are available.

The Lafitte Sidewalk Beautification project is made up of various phases (Phase I, Phase II, and Rosethorne Path) and includes architectural and construction costs to install sidewalks and subsurface infrastructure to support the sidewalks through certain sections of the Town. These projects are being funded with federal funding through the Louisiana Department of Transportation and Development (which covers 80% of construction costs), a grant from the Regional Planning Commission, local funding from the Parish, and a local match from the Town.

During 2023, costs of \$1,187,692 were added to construction in progress, bringing the total project costs-to-date to \$2,172,858. During the year, \$740,347 was received under the grant and another \$133,273 has been accrued as receivable at year end, bringing current year grant revenues to \$873,619. The Town also received \$549,791 from the Parish to help fund some of the costs on this project. This project continues but is nearly complete.

The Wetlands Education Center is being funded with 1) a National Disaster Resilience Project from HUD/CDBG (\$475,000 from LASAFE for Architecture and Design), 2) a \$2,000,000 construction grant from the Coastal Restoration and Protection Authority (CPRA) using National Resource Damage Assessment (NRDA) Funds from the BP Oil Spill Trust, 3) State Capital Outlay funds of 3,198,981 (\$1,625,000 for construction/exhibits under FP&C contract #50-ME1-18-01 and \$1,573,981 under the FP&C 2023 submittal), and Parish funds (\$250,000 for design and construction), and \$115,834 in local funds. The total project is estimated to cost \$6,039,815.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

For 2023, the Town spent \$3,267,822 on architecture, design and testing work, construction, and exhibits. This amount has been added to construction in progress. Of this amount, \$923,396 has been submitted to and received from the CPRA under the NRDA Grant. An additional \$1,074,041 was submitted to and received from the State of Louisiana Facilities Planning & Control (FP&C) under the State Capital Outlay contract #50-ME1-18-01. The Parish of Jefferson also was billed \$250,000 for costs on this project, of which \$206,370 has been received and another \$43,630 has been accrued as receivable at year end. Total revenues of \$2,247,437 have been recognized in the Capital Projects Fund, which was \$1,020,385 less than what was expended in the current year. The Town ended up transferring \$1,033,094 from the General Fund to the Capital Projects Fund to cover the current year costs and some costs from the prior year that had gone unfunded.

The Town is currently in dispute with the State of Louisiana over the cancellation of the existing FP&C contract 50-ME1-18-01. The Governor issued a line-item veto in June 2023 that removed future funding for this project from the 2023 State Capital Outlay bill; however, the FP&C read this veto as a cancellation of all funding on the project and has since refused to reimburse the Town for “deliverables in progress” under the existing contract. See Note 12C – Commitments and Contingencies for additional information.

The Lafitte Warehouse project is accounting for the construction of a storage warehouse and is being funded with State Capital Outlay funds (for construction) and other funds (Parish or local) for design and engineering costs. The project is in the design phase. The Town spent \$48,402 on architectural fees during 2023. The Town’s General Fund transferred funds to the Capital Project Fund to cover these costs.

The Lafitte Bridge Park is accounting for the potential construction of a park behind Town Hall utilizing old parts of the bridge that had been removed after the swing bridge was repaired/replaced. The Town spent \$36,871 on engineering costs. The project ended up with no federal or state funding source; therefore, the Town’s General Fund transferred money to the Capital Project Fund to cover the costs incurred to date. This project is now considered closed.

Hurricane Ida struck the Town in August 2021 (See Footnote 12.D) and caused widespread damage throughout the area. Several of the Town’s buildings sustained damage from flood waters and/or driving wind and rain. Specifically, the Town Hall, the Art Gallery and the Medical Center received damages in excess of 50 percent of their estimated values. The contents of these buildings were also mostly lost to the flood waters. Due to the level of damages received, the Town considered these three buildings to be “impaired” and decreased their values in FY 2022 by the estimated amount of impairment. During 2022, estimated impairments of \$1,074,057 were recognized as reductions to capital assets. Accumulated depreciation related to these impaired assets was reduced by \$600,030, resulting in a net loss of \$(474,027). All three of the impaired buildings are still out of service pending repair. As they are repaired and brought back into service, the costs incurred will be captured and capitalized into fixed assets.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 6 – LONG-TERM DEBT

FEMA Community Disaster Loan

The Town applied for and received approval for a Community Disaster Loan (CDL) from the Federal Emergency Management Agency (FEMA) in the aftermath of Hurricane Ida (ID B9192B1 – EMT-2023-LF-4611LA01). This program is designed to provide badly needed operating funds to local governments in disaster areas who are facing revenue shortfalls caused by natural disasters. In April 2022, the Town was approved for a CDL loan up to \$364,750. The loan accrues simple interest at the rate not to exceed 3.5% and is due 5 years after the initial draw down. As of June 30, 2023, the Town had drawn down \$251,999 on this loan. This \$251,999 is shown as long-term debt on the Statement of Net Position.

NOTE 7 – INTERFUND TRANSACTIONS

A) Interfund Receivables/Payables

Since the Town operates one checking account, all of the cash receipts and disbursements of the Capital Projects Fund are run through the General Fund. Once the Capital Project Fund activity is broken out, the difference in cash collections and disbursements is recognized as a due to or due from the General Fund. At year-end, the amount due to the General Fund from the Capital Projects Fund amounted to \$887,961. 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 2023, the General Fund had to make a transfer to the Capital Project Fund for \$7,424 to cover engineering fees on the Lafitte Levee Path #4 Bike Trail project. The Town also transferred \$129,740 for the CDBG Disaster Recovery – Isaac Drainage project. This amount covers the amount disallowed (or deemed ineligible) by the Parish. The Town also transferred \$1,033,094 on the Lafitte Wetland Center Project, which covers costs through 2023 that were not covered by the State Capital Outlay contract that was cancelled. The Town also transferred \$36,872 to cover the engineering costs on the Lafitte Bridge Park Project that will not be funded from any other sources. Finally, the Town transferred \$235,718 from the Lafitte Sidewalks Project back to the General Fund to reimburse it for prior year costs that it covered with transfers. The Sidewalk Project received funding from the Parish in 2023 that allowed this reimbursement.

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, 2023

NOTE 8 – RESTRICTIONS OF NET POSITION AND FUND BALANCE COMPONENTS

A) Net Position

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

B) Fund Balance Components

As discussed in Note 1.D.11, in accordance with GASB Statement Codification Section 1800, fund balance of the governmental fund types is categorized in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – Non-spendable, Restricted, Committed, Assigned and Unassigned.

At June 30, 2023, the Town reported \$103,216 in the non-spendable category to reflect that the assets in prepaid items that are not in spendable form. The remaining balance of \$266,123 is categorized as unassigned fund balance - \$391,080 in the General Fund and a deficit in unassigned fund balance of \$(124,957) in the Capital Projects Fund.

NOTE 9 - SALES TAXES

For the year ended June 30, 2023, 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 2023, these taxes generated \$254,424, 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 2023, this tax generated \$38,795.

It should be noted that the majority of the sales taxes recognized in 2022 were generated in the aftermath of Hurricane Ida from sales related to citizens purchasing motor vehicles to replace damaged vehicles. Normal recurring sales taxes were severely affected by the aftermath of the flood damage caused by the hurricane and the closure of many businesses and the relocation of many citizens during the cleanup and rebuilding period. During 2023, these motor vehicle purchases did not recur, resulting in a large decrease in sales taxes.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 10 – LEASES

A) The Town as Lessee

The Town does not have any lease agreements that are material in amount or meet the criteria for recognition and reporting in the financial statements as a right of use leased assets and lease liability at June 30, 2023.

B) The Town as Lessor

The Town leases various Town-owned facilities to businesses and citizens on a short-term basis. The Auditorium, Civic Center, and the Seafood Market are typically leased to citizens on short-term rentals for weddings, birthday parties, dances, or other social events. These short-term rentals (net of refunds and deposits) generated \$128,779 in lease income during 2023.

Two other Town-owned buildings are leased under long-term leases to outside entities. One building is rented to a business (utilized as an Anytime Fitness gym) and one building is partially leased to the local State Representative. The net book value of these facilities being leased out amounts to approximately \$116,100.

The Anytime Fitness gym lease was renewed for a period of three years (the new lease term runs from September 27, 2019 to September 27, 2022). Monthly payments of \$1,300 are due under this lease. When this lease expired in September 2022, it reverted to a month-to-month lease under the same terms of \$1,300 per month. Additional payments were made through May 2023 and then halted as the tenant asked for a renegotiation of the lease. This renegotiation is currently ongoing. For GASB 87 purposes, only the lease payments received under the original terms of the lease will be accounted for under the lease accounting standards. Once a new lease is negotiated, the new long-term lease will be accounted for in accordance with GASB 87. The local State Representative began leasing an office in the Tourist Center in February 2020. The lease term is four years (beginning on February 1, 2020 through December 31, 2023). Monthly payments of \$250 are due under this lease

In accordance with GASB Statement No. 87, *Leases*, a receivable has been recorded for the present value of lease payments to be received over the lease term of these agreements. As of June 30, 2023, the value of the lease receivables totaled \$1,733. Also, deferred inflows associated with these leases has been recorded and will be recognized as revenue over the lease term. The total of the deferred inflows at June 30, 2023 was \$1,682. Inflows recognized during the year ended June 30, 2023 consisted of lease revenue of \$6,706 and interest income of \$118. Additional month-to-month lease payments totaling \$11,700 were recognized under the Anytime Fitness lease, bringing total lease revenue to \$18,524. Since the lease agreements include scheduled payments over multiple years, the receivable balances include amounts not expected to be collected within the next year. The balances and current activity on each lease are as follows:

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 10 – LEASES (CONTINUED)

	Anytime Fitness	State Rep Office	Total
Value of Lease Receivable at June 30, 2023	\$ -	\$ 1,733	\$ 1,733
Deferred Inflows - Leases at June 30, 2023	\$ -	\$ 1,682	\$ 1,682
Inflows Recognized in 2023:			
Lease revenues	\$ 3,823	\$ 2,883	\$ 6,706
Interest on leases	19	99	118
Inflows on long-term leases	\$ 3,842	\$ 2,982	\$ 6,824
Month-to-month receipts	-	11,700	11,700
Total Recognized as Facility Rentals	<u>\$ 3,842</u>	<u>\$ 14,682</u>	<u>\$ 18,524</u>
Gain (loss) on terminated/waived payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 11 - EMPLOYEE PENSION PLAN

The Town provides pension benefits for all of its full-time employees through a cost-sharing, multiple-employer public employee retirement system. All full-time Town employees are members in the Municipal Employees' Retirement System of Louisiana (the Municipal System). The Municipal System was originally established by Act 356 of the 1954 regular session of the State of Louisiana.

General Information about the Pension Plan

Plan Description/Benefits Provided

The Municipal System administers a plan to provide retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the system.

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

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

For Plan A and B members hired after January 1, 2013, the employee may retire 1) at age 67 with at least 67 years of creditable service, 2) at age 62 with at least 10 years of creditable service, 3) at age 55 with 30 or more years of creditable services, or 4) at any age with 25 years of creditable service, exclusive of military service and unused sick leave. Both plans also have criteria for disability and survivor benefits.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

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

Disability Benefits

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

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

Survivor Benefits

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

Deferred Retirement Option Plan Benefits (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member of the Municipal System's Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to 3 years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in the fund, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of 3 years, payments into the DROP fund cease and the person resumes active contribution membership in the system.

Cost of Living Adjustments

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

Contributions

According to state statutes, contribution requirements for all employers of the Municipal System are actuarially determined each year. For the year ended June 30, 2022, the actuarially determined employer contribution rate was 29.50% for Plan A (the Plan that the Town participates in) and 15.50% for Plan B.

For 2023, the actual employer contribution rate was 29.50% for Plan A, while the employee contribution rate was 10.00%. Employer and employee contributions to Municipal System – Plan A for fiscal year 2023 were as follows:

Source	Amount	Covered Payroll	Percent of Covered Payroll
Employee	\$ 28,500	\$ 284,912	10.00%
Employer	84,075	284,912	29.50%

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

The Town’s proportionate share of these non-employer contributions totaled \$10,587 during the measurement period. This amount is recognized in the government-wide financial statements as On-Behalf Payments from Contributing Entities and is included in operating grants and contributions on the Statement of Activities.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

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

At June 30, 2023, the Town reported a liability of \$617,416 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System. The NPL was measured as of June 30, 2022, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date.

The Town's proportion of the NPL was based on the Town's actual contributions to the pension plan during the measurement period relative to the contributions of all participating employers. As of June 30, 2022, the most recent measurement date, the Town's proportionate share for the system was:

	The Municipal System
Town's Proportionate Share	0.148659%
Decrease from prior year	0.004732%

For the year ended June 30, 2023, the Town recognized a total pension expense (benefit) of \$111,709. These amounts are made up of the following:

Components of Pension Expense (Benefit)	The Municipal System
Town's pension expenses per the pension plan	\$ 89,891
Town's amortization of its change in proportionate share	23,625
Town's amortization of actual contributions over its proportionate share of contributions	(1,807)
Total Pension Expense (Benefit) Recognized by Town	\$ 111,709

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>The Municipal System</u>		
a) Differences between expected and actual experience	\$ 730	\$ (2,365)
b) Net change in assumptions	5,983	-
c) Net difference between projected and actual earnings on pension plan investments	102,734	-
d) Changes in proportion to NPL	21,030	-
e) Differences between the Town's contributions and its proportionate share of contributions	-	(3,999)
f) Town's contributions subsequent to the June 30, 2022 measurement date	84,075	-
	\$ 214,552	\$ (6,364)

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date (June 30, 2022) totaled \$84,075. These amounts will be recognized as a reduction of the NPL in the year ending June 30, 2024 (i.e., the subsequent fiscal year). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount of Amortization	
	The Municipal System	
2023	\$	(42,363)
2024		(23,751)
2025		(8,732)
2026		(49,267)
	\$	(124,113)

Actuarial Assumptions

The total pension liability for the municipal system in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Description	Assumptions/Methods
	The Municipal System
Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
<u>Actuarial Assumptions:</u>	
Investment Rate of Return	6.850%, net of investment expense
Inflation Rate	2.500%
Projected Salary Increases	4.50% to 6.40%(depending on years of service - Plan A)
Mortality Rates - Non-disabled	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective MP2018 scales
Mortality Rates - Disabled	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scales
Mortality Rates - Other	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective MP2018 scales
Expected Remaining Service Lives	3 Years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

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

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

Discount Rate. The discount rate used for the Municipal System was 6.850%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system's actuary.

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

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

The Municipal System

	<u>1.0% Decrease 5.850%</u>	<u>Current Discount Rate 6.850%</u>	<u>1.0% Increase 7.850%</u>
Town's Proportionate Share of the Net Pension Liability - Plan A	<u>\$ 821,283</u>	<u>\$ 617,416</u>	<u>\$ 445,154</u>

Pension Plan Fiduciary Net Position. The Municipal System issues publicly available financial reports that include financial statements and required supplementary information for the System. Detailed information about the system's fiduciary net position is available in these separately issued 2022 financial reports.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 11 - EMPLOYEE PENSION PLANS (CONTINUED)

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

Payables to the Pension Plan. At June 30, 2023, the Town had payables to the pension plan totaling \$8,660 for the June 2023 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A) Risk Management

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

B) Litigation

There is no significant litigation for which the Town's legal counsel has determined that an unfavorable outcome is probable and the damages are estimable. Thus, there are no accruals for any loss claims.

C) Contract Dispute With State Facilities, Planning and Control Board

The Town is currently in dispute with the State of Louisiana over the cancellation of the existing State Capital Outlay contract (FP&C contract 50-ME1-18-01) which was funding part of the construction cost of the Wetlands Center (See Note 5). The Town had received approval for \$2,200,000 in state capital outlay funding in 2022 and signed a contract (#50-ME1-18-001) with the State Facilities Planning & Control Board (FP&C) for these funds. Thinking the funding source was in place, the Town obligated itself to a vendor to begin producing exhibits for the Wetlands Center, as well as to continue construction on the center itself. The vendor for the exhibits billed the Town \$1,651,093 through June 30, 2023 for construction in progress on these exhibits. The Town, in turn, submitted the invoices to the FP&C for reimbursement under this contract. The FP&C reimbursed the Town \$1,074,041 and then halted payments, claiming that the Governor had vetoed the funding for the project. The Town had to cover the \$577,052 with its own funds even though there was money left on the state contract to draw down. The construction contractor was also owed \$439,009 at year end which should have been eligible under this contract. The Town also covered these costs with transfers.

The Governor had issued a line-item veto in June 2023 that removed "future funding" for this project from the 2023 State Capital Outlay bill; however, the FP&C read this veto as a cancellation of all funding (i.e., current and future) on the project and has since refused to reimburse the Town for "deliverables in progress" under the existing contract. The Town maintains that an existing contract cannot be terminated without cause, and, if it can be, the State FP&C would still be liable to the Town for "deliverables in progress" in accordance with the terms of the contract. The Town is pursuing all legal means to collect the balance due to it under this contract.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

D) Federal Assistance – Public Disaster Assistance

Over the years, due to its proximity to the Gulf of Mexico and various waterways and bayous, the Town has been affected by several hurricanes and tropical storms. Before, during, and after these storms, the Town incurred costs relating to emergency response overtime, flood protection efforts, public safety, and other emergency supplies. The Town participates in certain federal financial assistance programs. Audits of prior years have not resulted in any major disallowances of costs (unless noted); however, the grantor agency may provide further examinations. Based on past experience, the Town believes that further examinations will not result in any material disallowed costs. The Town has filed for and received insurance proceeds, as well as Public Disaster Assistance in each event. A brief summary of the costs incurred, claims filed and balances due on each storm is as follows.

Hurricane Katrina (1603-DR-LA)

The Town was affected by Hurricane Katrina in August 2005. To date, claims totaling \$2,553,291 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance and ineligible costs, \$1,769,646 has been obligated. The Town's share of the approved claims was -0- percent. To date, \$1,769,625 has been authorized plus an additional \$28,696 of administrative costs, for a total of \$1,798,321. 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 \$1,798,321 from FEMA. During 2023, FEMA applied credits of \$(93,565) against authorized payments due on other hurricane claims (applied credits are used to offset payments from other FEMA claims). The result was a current year revenue of \$(93,565) on this project. There was no other activity on this disaster during the year. The Town is awaiting completion and close-out of two projects by FEMA related to this disaster.

Hurricane Ike (1792-DR-LA)

The Town was affected by Hurricane Ike in September 2008. To date, claims totaling \$1,885,482 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$1,302,745 has been obligated. The Town's share of the approved claims was 10 percent in some cases for a total of \$51,243. To date, \$1,251,502 has been authorized for payment. In 2023, FEMA applied \$4 in credits to another grant, resulting in a current year revenue of \$4 under this project. There was no other activity on this disaster during the year. All projects under this disaster have been closed for FEMA purposes.

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, \$112,628 has been obligated. The Town's share of the approved claims was 25 percent in some cases for a total of \$28,157. To date, \$84,471 has been authorized for payment. To date, \$84,471 has been received from FEMA. In 2023, FEMA made adjustments to the eligible costs and applied \$(11,133) in credits to another grant, resulting in a current year revenue of \$-0- under this project. The Town is awaiting completion and close-out of one project by FEMA related to this disaster.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Tropical Storm Barry (4458-DR-LA)

The Town was affected by Tropical Storm Barry in July 2020. To date, claims totaling \$10,778 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$10,778 has been obligated. The Town's share of the approved claims was 25 percent in some cases for a total of \$2,694. To date, \$8,083 has been authorized for payment. In 2023, there was no activity on this disaster. The Town is awaiting completion and close-out of one project by FEMA related to this disaster.

Hurricane Zeta (3549-DR-LA)

The Town was affected by Hurricane Zeta in October 2020. The Town has filed claims totaling \$166,498 have been filed with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$121,033 has been obligated. The Town's share of the approved claims will be 25 percent for a total of \$7,618. To date, \$68,563 has been authorized for payment. To date, \$68,563 has been received from FEMA through direct payments. During 2023, the result was the recognition of \$11,427 in revenues under this project. \$3,809 in administrative costs have been submitted but are not yet approved or obligated. There was no other activity on this disaster during the year. All six projects under this disaster are still open for FEMA purposes and are being worked on.

Hurricane Ida (4611-DR-LA)

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

Claims have been filed with the Town's insurance carriers and net insurance proceeds to date totaling \$1,138,237 have been recognized in the General Fund. It should be noted that the Town signed an agreement with a local law firm – Connick & Connick to help facilitate the insurance claims in exchange for 25% of the proceeds. For 2023, the gross insurance proceeds received were \$574,552 and Connick & Connick's legal fees and costs amounted to \$145,765, leaving a net insurance proceeds to the Town of \$428,787.

The Town has also requested assistance from the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. The Town has filed claims totaling \$1,154,604 with the Federal Emergency Management Agency (FEMA) under the Public Disaster Assistance program. After adjusting for insurance, ineligible costs, and administrative fees, \$854,127 has been obligated. The Town's share of the approved claims will be 10 percent for any costs claimed after the first 45 days past the storm (which is \$29,455 so far). To date, \$338,587 has been authorized for payment. To date, \$338,587 has been received from FEMA through direct payments (\$233,893) and applied credits (\$104,694). During 2023, the result was the recognition of \$338,587 in revenues under this project. All seven projects under this disaster are still open for FEMA purposes and are being worked on.

TOWN OF JEAN LAFITTE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

As part of the Federal Government’s continuing effort to help in the recovery from the COVID-19 pandemic, the Federal Government passed the American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program in 2022. Through the SLFRF, State and local governments are receiving direct payments to spend on various categories of operating or capital costs. The funds were disbursed in two tranches – one in 2022 and one in 2023.

The Town of Jean Lafitte received the first tranche payment in September 2021 in the amount of \$369,852 and the second tranche payment in September 2022 for \$370,455. Under the terms of the agreement, the Town has until December 21, 2024 to spend these funds in the approved expense categories. The Town claimed the funds as being earned under the “revenue loss” category of funding using the standard allowance option. Thus, the funds identified as being expended for governmental services and reported to the Department of Treasury as such. Therefore, the funds received to date of \$740,307 are being recognized as revenues in 2023 and the grant is considered closed.

NOTE 13 – NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

As of June 30, 2023, the Government Accounting Standards Board (GASB) has issued several statements not yet implemented by the Town. The Statements, along with the new effective dates, which might impact the Town in the future, are as follows:

- **Governmental Accounting Standards Board Statement No. 99 (GASB 99)**
The GASB issued Statement No. 99, *Omnibus 2022*, in April 2022. Certain requirements are effective upon issuance. The requirements of this Statement related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.
- **Governmental Accounting Standards Board Statement No. 100 (GASB 100)**
The GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, in June 2022. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.
- **Governmental Accounting Standards Board Statement No. 101 (GASB 101)**
The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The requirements of this Statements are effective for reporting periods beginning after December 15, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOWN OF JEAN LAFITTE, LOUISIANA

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

	(1) 2023	(1) 2022	(1) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014
Town's proportion of the net pension liability (asset)	0.148659%	0.143927%	0.136113%	0.129646%	0.131455%	0.135784%	0.105155%	0.103707%	0.112296%	0.149929%
Town's proportionate share of the net pension liability (asset)	\$ 617,416	\$ 400,333	\$ 588,472	\$ 541,747	\$ 544,313	\$ 568,042	\$ 431,000	\$ 370,458	\$ 288,201	\$ 464,691
Town's covered payroll (CEP)	\$ 284,912	\$ 285,000	\$ 260,154	\$ 240,000	\$ 240,000	\$ 246,611	\$ 187,847	\$ 176,999	\$ 204,634	\$ 183,467
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll (CEP)	216.70%	140.47%	226.20%	225.73%	226.80%	230.34%	229.44%	209.30%	140.84%	253.28%
Plan fiduciary net position as a percentage of the total pension liability	67.87%	77.82%	64.52%	64.68%	63.94%	62.49%	62.11%	66.18%	73.99%	67.97%

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

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) 2023	(1) 2022	(1) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014
Town's contractually required contribution	(3) \$ 84,075	\$ 84,040	\$ 84,075	\$ 72,193	\$ 62,400	\$ 59,400	\$ 56,100	\$ 37,100	\$ 34,958	\$ 38,370
Contributions by Town in relation to the contractually required contribution	84,075	84,040	84,075	72,193	62,400	59,400	56,386	37,100	35,113	38,769
Contribution deficiency (excess)	(4) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (286)	\$ -	\$ (155)	\$ (399)
Town's covered payroll (CEP)	\$ 285,003	\$ 284,912	\$ 285,000	\$ 260,154	\$ 240,000	\$ 240,000	\$ 246,611	\$ 187,847	\$ 176,999	\$ 204,634
Contractually required contributions as a percentage of covered payroll (CEP)	29.50%	29.50%	29.50%	27.75%	26.00%	24.75%	22.75%	19.75%	19.75%	18.75%

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

TOWN OF JEAN LAFITTE, LOUISIANA

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

	(1) 2023	(1) 2022	(1) 2021	(1) 2020	(1) 2019	(1) 2018	(1) 2017	(1) 2016	(1) 2015	(1) 2014	(2) 2013
Town's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.006982%	0.012524%	0.012925%	0.023565%	-
Town's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,441	\$ 98,112	\$ 80,860	\$ 188,247	-
Town's covered payroll (CEP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,560	\$ 33,500	\$ 66,500	\$ 122,221	-
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll (CEP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	334.57%	292.87%	121.59%	154.02%	-
Plan fiduciary net position as a percentage of the total pension liability	70.80%	84.09%	70.94%	71.01%	71.89%	70.08%	66.04%	70.73%	75.10%	66.71%	-

(1) The amounts presented for each fiscal year were determined as of the measurement date (i.e., the beginning of the fiscal year and/or the prior fiscal year).
 (2) Information not available due to recent implementation of this reporting standard.

TOWN OF JEAN LAFITTE, LOUISIANA

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

	(5) 2023	(5) 2022	(5) 2021	(5) 2020	(5) 2019	(5) 2018	(5) 2017	(1) 2016	(1) 2015	(1) 2014
Town's contractually required contribution	(3) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,161	\$ 10,553	\$ 20,615
Contributions by Town in relation to the contractually required contribution	-	-	-	-	-	-	-	6,161	10,553	20,615
Contribution deficiency (excess)	(4) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (CEP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,560	\$ 33,500	\$ 66,500
Contractually required contributions as a percentage of covered payroll (CEP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	31.50%	31.50%	31.00%

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

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

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

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

(5) The Town's officers who were participating in this plan left employment at the end of 2016. Thus, have been no employees participating in MPERS since FY 16/17.

TOWN OF JEAN LAFITTE, LOUISIANA

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

Changes in Benefit Terms Include:

Municipal Employee's Retirement System (Plan A)

There were no changes of benefit terms for the year ended June 30, 2023.

Municipal Police Employee's Retirement System

There were no changes of benefit terms for the year ended June 30, 2023.

Changes of Assumptions:

Municipal Employee's Retirement System (Plan A)

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

Discount Rate			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.850%	0.000%
6/30/2022	6/30/2021	6.850%	-0.100%
6/30/2021	6/30/2020	6.950%	-0.050%
6/30/2020	6/30/2019	7.000%	-0.275%
6/30/2019	6/30/2018	7.275%	-0.525%
6/30/2018	6/30/2017	7.800%	0.300%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	-0.250%
6/30/2015	6/30/2014	7.750%	

Inflation Rate			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	2.500%	0.000%
6/30/2022	6/30/2021	2.500%	0.000%
6/30/2021	6/30/2020	2.500%	0.000%
6/30/2020	6/30/2019	2.500%	-0.100%
6/30/2019	6/30/2018	2.600%	-0.175%
6/30/2018	6/30/2017	2.775%	-0.100%
6/30/2017	6/30/2016	2.875%	0.000%
6/30/2016	6/30/2015	2.875%	-0.125%
6/30/2015	6/30/2014	3.000%	

Inflation Rate of Return			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.850%	0.000%
6/30/2022	6/30/2021	6.850%	-0.100%
6/30/2021	6/30/2020	6.950%	-0.050%
6/30/2020	6/30/2019	7.000%	-0.275%
6/30/2019	6/30/2018	7.275%	-0.125%
6/30/2018	6/30/2017	7.400%	-0.100%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	-0.250%
6/30/2015	6/30/2014	7.750%	

Salary Increases			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	4.5% - 6.4%	Not Available
6/30/2022	6/30/2021	4.5% - 6.4%	Not Available
6/30/2021	6/30/2020	4.5% - 6.4%	Not Available
6/30/2020	6/30/2019	4.5% - 6.4%	Not Available
6/30/2019	6/30/2018	5.000%	0.000%
6/30/2018	6/30/2017	5.000%	0.000%
6/30/2017	6/30/2016	5.000%	0.000%
6/30/2016	6/30/2015	5.000%	-0.750%
6/30/2015	6/30/2014	5.750%	

Municipal Police Employee's Retirement System

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

Discount Rate			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.750%	0.000%
6/30/2022	6/30/2021	6.750%	-0.200%
6/30/2021	6/30/2020	6.950%	-0.175%
6/30/2020	6/30/2019	7.125%	-0.075%
6/30/2019	6/30/2018	7.200%	-0.125%
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	0.000%
6/30/2015	6/30/2014	7.500%	

Inflation Rate			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	2.500%	0.000%
6/30/2022	6/30/2021	2.500%	0.000%
6/30/2021	6/30/2020	2.500%	0.000%
6/30/2020	6/30/2019	2.500%	-0.100%
6/30/2019	6/30/2018	2.600%	-0.100%
6/30/2018	6/30/2017	2.700%	-0.175%
6/30/2017	6/30/2016	2.875%	0.000%
6/30/2016	6/30/2015	2.875%	-0.125%
6/30/2015	6/30/2014	3.000%	

Inflation Rate of Return			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	6.750%	0.000%
6/30/2022	6/30/2021	6.750%	-0.200%
6/30/2021	6/30/2020	6.950%	-0.175%
6/30/2020	6/30/2019	7.125%	-0.075%
6/30/2019	6/30/2018	7.200%	-0.125%
6/30/2018	6/30/2017	7.325%	-0.175%
6/30/2017	6/30/2016	7.500%	0.000%
6/30/2016	6/30/2015	7.500%	0.000%
6/30/2015	6/30/2014	7.500%	

Salary Increases			
Year End	Measurement Date	Rate	Change
6/30/2023	6/30/2022	4.70% - 12.30%	0.000%
6/30/2022	6/30/2021	4.70% - 12.30%	0.000%
6/30/2021	6/30/2020	4.70% - 12.30%	0.45% to 2.55%
6/30/2020	6/30/2019	4.25% - 9.75%	0.000%
6/30/2019	6/30/2018	4.25% - 9.75%	0.000%
6/30/2018	6/30/2017	4.25% - 9.75%	0.000%
6/30/2017	6/30/2016	4.25% - 9.75%	0.000%
6/30/2016	6/30/2015	4.25% - 9.75%	0.000%
6/30/2015	6/30/2014	4.25% - 9.75%	

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes	\$ 374,988	\$ 389,500	\$ (14,512)	\$ 387,100
Intergovernmental				
Federal	1,054,953	1,039,807	15,146	1,664,852
State	438,182	460,300	(22,118)	207,900
Parish/local	29,778	31,700	(1,922)	17,550
Licenses and permits	86,810	76,000	10,810	59,750
Service charges, rentals and fees	147,104	143,250	3,854	94,350
Fines and forfeitures	87,178	81,750	5,428	90,000
Gaming fees and commissions	351,864	340,000	11,864	395,000
Interest - banking and checking	55,511	54,500	1,011	700
Other	1,283,758	1,143,200	140,558	410,250
Total Revenues	<u>3,910,126</u>	<u>3,760,007</u>	<u>150,119</u>	<u>3,327,452</u>
EXPENDITURES				
Current:				
General government	1,943,575	1,879,703	(63,872)	1,867,900
Public safety	216,039	210,500	(5,539)	215,625
Public works	262	500	238	500
Urban development and housing	-	-	-	-
Culture and recreation	1,082,158	1,088,000	5,842	354,250
Capital Outlay	95,402	95,650	248	1,119,852
Total Expenditures	<u>3,337,436</u>	<u>3,274,353</u>	<u>(63,083)</u>	<u>3,558,127</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>572,690</u>	<u>485,654</u>	<u>87,036</u>	<u>(230,675)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	235,718	-	235,718	-
Transfers out	(1,207,129)	(36,872)	(1,170,257)	-
Proceeds from disaster loan	251,999	252,000	(1)	364,750
Gain (loss) on termination of lease	-	-	-	-
Total Other Financing Sources (Uses)	<u>(719,412)</u>	<u>215,128</u>	<u>(934,540)</u>	<u>364,750</u>
NET CHANGE IN FUND BALANCE	(146,722)	700,782	(847,504)	134,075
FUND BALANCE				
Beginning of year	641,018	641,018	-	714,426
End of year	<u>\$ 494,296</u>	<u>\$ 1,341,800</u>	<u>\$ (847,504)</u>	<u>\$ 848,501</u>

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**INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF REVENUES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
REVENUES				
Taxes				
Sales Taxes	\$ 293,219	\$ 307,700	\$ (14,481)	\$ 305,000
Franchise Taxes	81,769	81,800	(31)	82,100
Total Taxes	<u>374,988</u>	<u>389,500</u>	<u>(14,512)</u>	<u>387,100</u>
Intergovernmental				
Federal				
FEMA - Public Assistance Grants	256,453	250,000	6,453	1,250,000
Police - Equipment Grants	2,376	3,500	(1,124)	-
Victim's Assistance Grants	55,817	46,000	9,817	45,000
ARPA Grant	740,307	740,307	-	369,852
Total Federal	<u>1,054,953</u>	<u>1,039,807</u>	<u>15,146</u>	<u>1,664,852</u>
State				
Parish Transportation Fund	168,000	168,000	-	158,000
Beer Tax Allocation	3,167	3,100	67	3,100
Tobacco Tax Allocation	191	225	(34)	150
Senior Citizen Utility Income	20,000	20,000	-	20,000
Nature Trail	-	-	-	-
Seafood/Fisheries Market	42,325	42,325	-	-
Police Car	-	-	-	-
Tourism/Seafood Market	-	26,650	(26,650)	26,650
Tractor/High Water Truck	200,000	200,000	-	-
Keep LA Beautiful	4,499	-	4,499	-
Total State	<u>438,182</u>	<u>460,300</u>	<u>(22,118)</u>	<u>207,900</u>
Parish/local				
Library Grant	16,778	18,700	(1,922)	17,550
High Water Truck	13,000	13,000	-	-
Total Parish/Local	<u>29,778</u>	<u>31,700</u>	<u>(1,922)</u>	<u>17,550</u>
Total Intergovernmental	<u>1,522,913</u>	<u>1,531,807</u>	<u>(8,894)</u>	<u>1,890,302</u>
Licenses and permits				
Occupational Licenses	24,151	24,500	(349)	21,000
Insurance Premium Fees	44,514	30,000	14,514	30,000
Alcoholic Beverage Permits	1,700	2,000	(300)	2,000
Building, Electrical and Plumbing Permits	16,445	19,500	(3,055)	6,750
	<u>86,810</u>	<u>76,000</u>	<u>10,810</u>	<u>59,750</u>
Service charges, rentals and fees				
Facility Rentals	147,104	143,250	3,854	93,600
Details - Admin Fee	-	-	-	750
	<u>147,104</u>	<u>143,250</u>	<u>3,854</u>	<u>94,350</u>
Fines and forfeitures	5,588	4,500	1,088	15,000
Fines - Redflex Traffic Systems	81,590	77,250	4,340	75,000
	<u>87,178</u>	<u>81,750</u>	<u>5,428</u>	<u>90,000</u>
Gaming fees and commissions				
Boomtown Boarding Fees	351,864	340,000	11,864	395,000
	<u>351,864</u>	<u>340,000</u>	<u>11,864</u>	<u>395,000</u>
Interest - checking and savings	55,511	54,500	1,011	700
	<u>55,511</u>	<u>54,500</u>	<u>1,011</u>	<u>700</u>
Other				
Donations - Other	2,500	2,500	-	1,000
Donations - Wetlands Center	-	-	-	-
Donations - Hurricane Ida Relief	-	-	-	-
Insurance Proceeds	428,787	268,700	160,087	-
Special Events and Festivals	843,200	862,500	(19,300)	400,000
Tourist Information Proceeds	-	-	-	500
Artist Proceeds	-	-	-	1,000
Miscellaneous	9,271	9,500	(229)	7,750
	<u>1,283,758</u>	<u>1,143,200</u>	<u>140,558</u>	<u>410,250</u>
Total Revenues	<u>\$ 3,910,126</u>	<u>\$ 3,760,007</u>	<u>\$ 150,119</u>	<u>\$ 3,327,452</u>

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
 GENERAL FUND
 For the Year Ended June 30, 2023

EXPENDITURES	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
Current:				
<u>General Government</u>				
Salaries and Benefits				
Salaries - Council	\$ 48,000	\$ 48,000	\$ -	\$ 48,000
Salaries - Regular	316,925	310,000	(6,925)	345,000
Retirement	84,075	85,000	925	76,000
Payroll taxes	41,688	42,000	312	42,000
Health and life insurance	86,351	85,500	(851)	74,800
Unemployment insurance	1,019	1,700	681	1,700
Workman's compensation insurance	11,705	15,000	3,295	12,550
	<u>589,763</u>	<u>587,200</u>	<u>(2,563)</u>	<u>600,050</u>
General and Administrative Costs				
Accounting and auditing	60,360	60,000	(360)	58,000
Auto and truck	20,809	21,500	691	9,000
Bank charges	2,808	2,500	(308)	3,700
Contract labor	100,563	100,000	(563)	5,000
Consultants	25,346	24,000	(1,346)	24,000
Court costs	162	250	88	500
Donations to non-profits (Ida)	100,000	100,000	-	-
Dues and subscriptions	831	1,000	169	750
Emergency response costs - hurricanes	298,112	267,233	(30,879)	603,000
Ida operating tool program	10,766	12,500	1,734	-
Insurance	191,028	210,020	18,992	204,750
Janitorial	8,343	9,350	1,007	5,000
Legal - attorney/magistrate	43,275	39,000	(4,275)	30,000
Miscellaneous	6,154	5,000	(1,154)	6,000
Office supplies	16,541	16,500	(41)	13,000
Official journal	6,200	7,000	800	5,000
Rentals	1,040	1,650	610	1,650
Repairs and maintenance	260,146	220,000	(40,146)	125,000
Scholarship program	4,500	4,500	-	5,500
Travel - conventions	7,629	5,000	(2,629)	5,000
Travel - other	522	500	(22)	3,000
Utilities	188,677	185,000	(3,677)	160,000
	<u>1,353,812</u>	<u>1,292,503</u>	<u>(61,309)</u>	<u>1,267,850</u>
Total General Government	<u>1,943,575</u>	<u>1,879,703</u>	<u>(63,872)</u>	<u>1,867,900</u>

(Continued)

TOWN OF JEAN LAFITTE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Actual Amounts	Final Budget	Variance with Final Budget Positive (Negative)	Original Budget
<u>Public Safety</u>				
Salaries - officers	129,031	127,500	(1,531)	135,000
Redflex collection fees	20,585	21,000	415	20,625
Supplies - police	15,637	16,000	363	18,000
Victims assistance grant costs	50,786	46,000	(4,786)	42,000
Total Public Safety	<u>216,039</u>	<u>210,500</u>	<u>(5,539)</u>	<u>215,625</u>
<u>Public Works</u>				
Road maintenance - supplies	262	500	238	500
Total Public Works	<u>262</u>	<u>500</u>	<u>238</u>	<u>500</u>
<u>Culture and Recreation</u>				
Seafood festival costs	1,031,584	1,035,000	3,416	325,000
Special events - other	41,544	43,000	1,456	18,250
Tourism costs	9,050	10,000	950	10,000
Artist costs	(20)	-	20	1,000
Total Culture and Recreation	<u>1,082,158</u>	<u>1,088,000</u>	<u>5,842</u>	<u>354,250</u>
<u>Capital Outlay</u>				
Land, buildings and improvements	-	-	-	1,119,852
Furniture, fixtures and equipment	5,633	5,650	17	-
Vehicles and heavy equipment	89,769	90,000	231	-
Total Capital Outlay	<u>95,402</u>	<u>95,650</u>	<u>248</u>	<u>1,119,852</u>
Total Expenditures	<u>\$ 3,337,436</u>	<u>\$ 3,274,353</u>	<u>\$ (63,083)</u>	<u>\$ 3,558,127</u>

TOWN OF JEAN LAFITTE, LOUISIANA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - CAPITAL PROJECT FUND
For the Year Ended June 30, 2023**

	Capital Projects Fund
REVENUES	
Taxes	\$ -
Intergovernmental	
Federal	743,879
State	1,997,437
Parish/local	799,791
Interest	-
Other	-
Total Revenues	<u>3,541,107</u>
EXPENDITURES	
Capital Outlay	
Land	-
Architect/Engineering	224,989
Construction	2,659,338
Equipment and Fixtures	1,651,986
Testing and Other	11,898
Total Expenditures	<u>4,548,211</u>
Excess (Deficiency) of Revenues over Expenditures	(1,007,104)
OTHER FINANCING SOURCES (USES)	
Transfers in	1,207,129
Transfers out	<u>(235,718)</u>
Total Other Financing Sources (Uses)	<u>971,411</u>
NET CHANGE IN FUND BALANCE	(35,693)
FUND BALANCE	
Beginning of year	(89,264)
End of year	<u>\$ (124,957)</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, 2023

<u>Councilperson</u>	<u>Amount</u>
Barry Bartholomew	\$ 9,600
Christy Creppel	9,600
Kyle Darda	9,600
Larry Kerner, Jr.	9,600
Verna Smith	9,600
TOTAL COUNCILPERSONS' COMPENSATION	<u><u>\$ 48,000</u></u>

TOWN OF JEAN LAFITTE, LOUISIANA

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2023**

Agency Head Name/Title:	Timothy P. Kerner, Jr. Mayor	
<u>Purpose</u>	<u>Amount</u>	
Salary	\$	80,000 (1)
Taxes - Federal (Social Security and Medicare)		5,892 (2)
Benefits - Retirement		23,600 (3)
Benefits - Insurance (Group Health)		13,920 (4)
Benefits - Other		-
Vehicle Provided by Agency		780 (5)
Per Diem		-
Reimbursements		-
Travel (meal per diems)		-
Travel (gas and parking)		2,638
Registration Fees		-
Conference and Business Travel		- (6)
Continuing Professional Education Fees		-
Housing		-
Unvouchered Expenses		-
Special Meals		150 (7)

Notes to Schedule:

- (1) The Mayor's salary is set by Town Ordinance.
- (2) The Town and its employees pay social security and medicare taxes. This amount represents the amount of taxes paid by the employer (the Town) on this employee's taxable wages.
- (3) All full-time employees of the Town, including the Mayor, are members of the Louisiana Municipal Employees Retirement System (MERS). Under this plan, the Town is required to pay 29.50% as contribution to the plan, while the employee is required to pay 10.00%. This amount represents the employer's cost of this contribution for FYE 2023.
- (4) The Town pays for the health insurance coverage for all full-time employees, plus 70% of an employee's family coverage. This amount represents the premiums paid on the Town's group policy on behalf of the Mayor, net of the employee's share.
- (5) The Mayor also serves as the President of the local levee district and is provided a take-home vehicle by the levee district. Under a cooperative endeavor agreement (CEA), the Town and the levee district have agreed to share in some of the costs of providing this vehicle as some of the vehicle usage is Town-related and some is levee district related. Under the IRS rules, the Mayor is taxed on the estimated lease value of the vehicle. For 2023, the amount included in the Mayor's taxable income is shown above.
- (6) Includes travel costs (airfare, hotel, parking, etc. - typically for the Louisiana Municipal Association's annual conference, travel to Baton Rouge and Washington DC, etc.).
- (7) Includes meals related to Town business, including meals at conferences or while out lobbying.

TOWN OF JEAN LAFITTE, LOUISIANA
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2023

State Source	Amount
State General Fund:	
Department of the Treasury - Tax/Fee Allocations	
Parish Transportation Funds	\$ 168,000
Beer Tax	3,167
Tobacco Tax	191
	171,358
Louisiana Office of Community Development	
Senior Citizens Utility Income Assistance	20,000
Miscellaneous State Aid	
Act 170 - Tractor/High Water Vehicle	200,000
Act 119 - Seafood Market/Tourism	42,325
Keep La Beautiful	4,499
	246,824
Total State Funding - General Fund	\$ 438,182
Other State Agencies:	
Coastal Protection and Restoration Authority	
National Resource Damage Assessment - Wetlands Center (BA-026)	923,396
Facilities Planning & Control (FP&C)	
State Capital Outlay (#50-ME1-18-01) - Wetlands Center Construction/Exhibits	1,074,041
Total State Funding	\$ 2,435,619

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

TOWN OF JEAN LAFITTE, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY (CASH BASIS)
For the Year Ended June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	2,991	2,597
Criminal Court Costs/Fees	136	26
Civil Fines - Other	56,281	30,231
Subtotal Collections	<u>59,408</u>	<u>32,853</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Dept of Health - Traumatic Head and Spinal Cord Injury Trust Fund	80	15
Louisiana Commission on Law Enforcement	32	6
Louisiana Supreme Court	8	2
Treasurer, State of Louisiana - CMIS	16	3
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed to Collecting Agency:		
Criminal Fines - Other	2,991	2,597
Civil Fines - Other	41,269	23,576
Less: Disbursement to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	15,012	6,655
Subtotal Disbursements/Retainage	<u>59,408</u>	<u>32,853</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

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TOWN OF JEAN LAFITTE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2023

GRANTOR/SOURCE	FEDERAL CFDA NO.	GRANT NUMBER	GRANT PERIOD	
			FROM	TO
DIRECT GRANTS				
None				
PASS-THROUGH GRANTS				
Department of Homeland Security				
Passed Through Louisiana Governor's Office of Homeland Security (GOHSEP)				
Public Disaster Assistance - Katrina	97.036	DR-1603-LA	Project Completion	
Public Disaster Assistance - Ike	97.036	DR-1792-LA	Project Completion	
Public Disaster Assistance - Isaac	97.036	DR-4080-LA	Project Completion	
Public Disaster Assistance - Barry	97.036	DR-4458-LA	Project Completion	
Public Disaster Assistance - Zeta	97.036	DR-3549-LA	Project Completion	
Public Disaster Assistance - Ida	97.036	DR-4611-LA	Project Completion	
Total Department of Homeland Security				
Department of Justice				
Passed Through Louisiana Commission on Law Enforcement				
Victim's Assistance Program Grant- 2019	16.575	5880	7/1/2021	6/30/2022
Victim's Assistance Program Grant- 2022	16.575	6469	7/1/2022	3/31/2023
Victim's Assistance Program Grant- 2023	16.575	6995	4/1/2023	12/31/2023
Officer Safety Improvements	16.738	2019-MU-BX-0056	7/1/2021	3/31/2022
Total Department of Justice				
Department of Transportation				
Passed through the Louisiana Department of Transportation and Development				
Highway Planning and Construction - Lafitte Sidewalk Beautification	20.205	h002263	Project Completion	
Total Department of Transportation				
Department of Treasury				
Passed Through Louisiana Governor's Office of Homeland Security (GOHSEP)				
American Rescue Plan Act (ARPA) - 2021 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	3/3/2021	12/21/2024
Total Pass-Through Grants				
FEDERAL LOAN PROGRAMS				
Department of Homeland Security - Federal Emergency Management Agency				
Community Disaster Loan (CDL) Program - Hurricane Ida	97.030	B9192B1-EMT-2022-LP-4611LA02	Project Completion	
Grand Total - All Grants				

FOOTNOTES TO SCHEDULE:

A "Single Audit" was required for the year ended June 30, 2023 as the federal expenditures exceeded the OMB thresholds. This 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. This Schedule was prepared on the accrual basis of accounting and covers all activity from July 1, 2022 to June 30, 2023.

- (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, 2022, the Town had \$11,133 in funds received over and above what had been spent/authorized. These funds were shown as "unavailable" grant revenue (i.e., deferred revenue) in the beginning of the year. During 2023, FEMA made adjustments and "applied payments" from other grants to "collect" this overpayment. Current year receipts include these "FEMA applied payments", which are basically book entries debiting and crediting different projects withing different disasters to balance out payments and amounts due. In total, \$104,698 of credits were applied in 2023.
- (2) There were no current year expenditures on these FEMA projects. FEMA/GOHSEP is in the process of closing out several "small" projects on some of the older disasters. The Town is waiting on the results of the closeout process. The amounts presented represent the amounts "approved and obligated" by FEMA/GOHSEP.
- (3) The Town has not negotiated an indirect cost rate. Also, the Town elected not to use the 10% de minimus cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.
- (4) In the wake of Hurricane Ida, the Town qualified for a Community Disaster Loan (CDL) based on its projected loss of income. The CDL loan is designed to provide operating funds to the entity until the local economy recovers. The Town qualified for a loan up to \$364,750; however, only \$251,999 has been drawdown as of June 30, 2023. The loan is payable within 5 years at an interest rate not to exceed 3.0%. The amount shown above represents the amounts drawdown in the current fiscal year.
- (5) This amount represents a prior year grant receivable that was written off in the current year as "uncollectible". The Parish of Jefferson informed the Town that the grant has lapsed and no additional funds would be eligible for reimbursement. The amount is presented for reconciliation purposes.

PRIOR YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR RECEIPTS	CURRENT YEAR RECEIVABLE (DEFERRED)	CURRENT YEAR REVENUES	FEDERAL EXPENDITURES		
				SPENT DIRECTLY BY TOWN	PAID TO SUBRECIPIENTS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ (93,565)	\$ -	\$ (93,565)	\$ (93,565)	\$ -	\$ (93,565) (1)/(2)
-	4	-	4	4	-	4 (1)/(2)
(11,133)	(11,133)	-	-	-	-	- (1)/(2)
-	-	-	-	-	-	- (1)/(2)
-	11,427	-	11,427	11,427	-	11,427 (1)/(2)
-	338,587	-	338,587	338,587	-	338,587 (1)/(2)
(11,133)	245,320	-	256,453	256,453	-	256,453
9,460	16,499	-	7,039	7,039	-	7,039
-	38,281	-	38,281	38,281	-	38,281
-	-	10,497	10,497	10,497	-	10,497
9,460	54,780	10,497	55,817	55,817	-	55,817
-	2,376	-	2,376	2,376	-	2,376
9,460	57,156	10,497	58,193	58,193	-	58,193
-	740,347	133,272	873,619	873,619	-	873,619
-	740,347	133,272	873,619	873,619	-	873,619
(369,852)	370,455	-	740,307	740,307	-	740,307
(369,852)	370,455	-	740,307	740,307	-	740,307
\$ (371,525)	\$ 1,413,278	\$ 143,769	\$ 1,928,572	\$ 1,928,572	\$ -	\$ 1,928,572
-	251,999	-	251,999	251,999	-	251,999 (4)
\$ (371,525)	\$ 1,665,277	\$ 143,769	\$ 2,180,571	\$ 2,180,571	\$ -	\$ 2,180,571
Less: amounts written off as uncollectible						
General Fund (CDBG - Isaac Drainage Grant)			(129,740)	(5)		
Plus (minus) amounts reported as changes in deferred inflows:						
General Fund			-	-		
Capital Projects Fund			-	-		
Current year revenue			\$ 2,050,831			
Recognized in financial statements of:						
General Fund - as current year revenues			\$ 1,306,952			
Capital Project Fund - as current year revenues			743,879			
			\$ 2,050,831			

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COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of Jean Lafitte (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 29, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002.

Town of Jean Lafitte's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other audit procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "EisnerAmper LLP".

EISNERAMPER LLP
Baton Rouge, Louisiana
March 29, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Jean Lafitte's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2023. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of its major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
March 29, 2024



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TOWN OF JEAN LAFITTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
21.027	Coronavirus State and Local Fiscal Recovery Funds

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The Town of Jean Lafite was determined to be not a low-risk auditee.

TOWN OF JEAN LAFITTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

B. Findings – Financial Statement Audit

2023-001: Audit Law

Criteria: Louisiana Revised Statute 24:513 requires that political subdivisions of the State submit completed audit reports to the Legislative Auditor no later than six months after the fiscal year. Accordingly, the submission due date was December 31, 2023. In accordance with the provisions for non-emergency extensions promulgated by Louisiana Revised Statute 39:721, the Town requested a 90-day extension to complete and submit the audit to the Legislative Auditor. Accordingly, the extended due date is March 31, 2024.

Condition: The audit was submitted after the statutory deadline, but before the requested extended deadline.

Cause: The Town was still displaced from Hurricane Ida and time-consuming public records requests were imposed. Further, there was an abrupt turnover of staff within the audit firm during a critical phase in the audit. This impacted the timing of completing the audit.

Effect: There has been minimal if any impact to intergovernmental funding resulting from the delayed completion.

Recommendation: We recommend that the Town in conjunction with the audit firm, take steps to ensure that the audit is not delayed.

View of Responsible Official: We concur with the finding. The Town in conjunction with the audit firm, will take steps to ensure that the audit is completed timely.

2023-002: Local Government Budget Act

Criteria: Louisiana Revised Statute 39:1311 requires the governmental entity to revise its budget when total projected expenditures and other uses exceeds total budgeted expenditures and other uses by five percent or more.

Condition: The Town's final amended budget reflected expenditures and other uses in the General Fund that was less than actual expenditures and other uses by more than five percent.

Cause: The State of Louisiana cancelled a State Capital Outlay contract that was entered into to fund construction projects in the capital projects fund. To cover the deficient funding, the Town's General Fund transferred funds to the Capital Projects Fund. These costs were not included in the final amended budget.

TOWN OF JEAN LAFITTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

B. Findings – Financial Statement Audit (continued)

2023-002: Local Government Budget Act (continued)

Effect: The Town is not in compliance with the requirements of the Louisiana Revised Statute 39:1311.

Recommendation: We recommend that the Town comply with all requirements of the Local Government Budget Act.

View of Responsible Official: Management concurs with the finding that the 5 percent threshold was exceeded; however, this overage was caused directly by what we considered an "unlawful" veto of the existing State Capital Outlay agreement by the former Governor that had been in place to fund the Capital Projects. If not for the canceling of this funding source, our budget to actual expenditures would have been within the required thresholds and the Town would not have had to scramble to fund these projects in the last days and weeks of the fiscal year.

C. Findings and Questioned Costs – Major Federal Award Programs

None

TOWN OF JEAN LAFITTE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2023

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs

N/A

(END OF REPORT)

EISNERAMPER

TOWN OF JEAN LAFITTE

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on
COMPLIANCE and CONTROL AREAS**

FOR THE YEAR ENDED JUNE 30, 2023



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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Town of Jean Lafitte (the Town) for the fiscal period July 1, 2022 through June 30, 2023. The Town's management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 of the Town for the fiscal period July 1, 2022 through June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



EISNERAMPER, LLP
Baton Rouge, Louisiana
March 29, 2024

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

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

No exception noted.

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

No exception noted.

c) ***Disbursements***, including (1) processing, (2) reviewing, and (3) approving.

No exception noted.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

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

No exception noted.

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

No exception noted.

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

The Town has written policies for Travel and Expense Reimbursement; however, the policy does not specifically address attribute (2) dollar thresholds by category of expense. For attributes (1), (3) and (4), no exceptions were noted.

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

No exception noted.

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

No exception noted.

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

The Town has written policies for Debt Service; however, the policy does not specifically address attribute (2) continuing disclosure/EMMA reporting requirements. For attributes (1), (3) and (4), no exceptions were noted. Note the Town has no bonded debt.

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

No exception noted.

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

No exception noted.

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

For eleven out of twelve monthly Council meetings, the monthly budget to actual comparisons for the general fund were not referenced or included.

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

No exception noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exception noted.

3) Bank Reconciliations

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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

A listing of bank accounts was provided and included a total of 3 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected all 3 bank accounts and obtained the bank reconciliations for the month ending June 30, 2023, resulting in 3 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

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

The bank reconciliations are prepared timely by a third-party accountant and reviewed by management. However, there is no evidence of that review with initials or electronic logging..

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

No exception noted.

4) Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included 1 deposit site. No exceptions were noted while performing this procedure.

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

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

A listing of collection locations for the deposit site selected in procedure #4A was provided and included a total of one (1) collection location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the one collection location for the deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

There are four (4) employees who are responsible for collecting cash and they share one cash drawer.

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

No exception noted.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

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

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 3 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, the practitioner may use a source document other than bank statements when selecting*

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.
Obtain supporting documentation for each of the deposits and:

We randomly selected two (2) deposit dates for each of the three (3) bank accounts selected in procedure #3A. For one (1) of the bank accounts, there was only one (1) deposit for the month randomly selected. We obtained supporting documentation for each of the five (5) deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

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

No exception noted.

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

No exception noted.

- iv. 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 and the cash is stored securely in a locked safe or drawer).

No exception noted.

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

No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

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

The listing of locations that process payments for the fiscal period was provided and included 2 disbursement locations. No exceptions were noted while performing this procedure.

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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

- B. For each location selected under #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

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

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

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. 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;

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

- iv. 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; and

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

The payment processors are not prohibited from adding/modifying vendor files, and there is not an independent review of vendor files. No other exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.

6) *Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)*

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

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

- B. 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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

From the listing provided, we selected all four (4) cards used in the fiscal period. We randomly selected one (1) monthly statement for each of the four (4) cards selected and performed the procedures noted below.

- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

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

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exception noted.

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

- A. 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, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

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- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exception noted.

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

No exception noted.

- iii. 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 Policies and Procedures”, procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

8) *Contracts*

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

A listing of contracts for the fiscal period was provided, which included a total of 1 contract.. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected all contracts from the list provided and performed the procedures below.

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

No exception noted.

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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

No exception noted.

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

No exception noted.

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

No exception noted.

9) Payroll and Personnel

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

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

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

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

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exception noted.

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

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

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

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

The Town's policy is that leave must be used in the year earned and may not be carried forward. No exceptions were noted.

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

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exception noted.

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

No exception noted.

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exception noted.

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable.

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

Not applicable.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exception noted.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

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

No exception noted.

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

TOWN OF JEAN LAFITTE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

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

No exceptions noted.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

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

No exceptions noted.

- v. Amount of time it took to resolve each complaint.

No exceptions noted.

**TOWN OF JEAN LAFITTE
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
JUNE 30, 2023**

Schedule B

Management has reviewed and will address the exceptions noted in Schedule A.