



In planning and performing our audit of the general purpose financial statements of the Town of Jean Lafitte, Louisiana for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter, which is listed in the attached schedule, involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition noted on the attached schedule is not a material weakness.

This report is intended for the information of the Board of Aldermen, management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Town of Jean Lafitte, Louisiana, is a matter of public record.

### ***Deloitte & Company***

September 17, 1996

TOWN OF JEAN LAFITTE, LOUISIANA  
SCHEDULE OF REPORTABLE CONDITIONS  
For the Year Ended June 30, 1996

**CONDITION**

As in prior years, there appears to be an inadequate segregation of duties within the accounting function. Due to the limited number of personnel, the Town Clerk is charged with most of the responsibilities relating to the cash receipts and disbursement cycles. The Town does, however, have various controls in place which tend to mitigate this problem. Included in these mitigating controls are (1) an outside Certified Public Accountant prepares the bank reconciliations, (2) all checks require a dual signature, (3) actual versus budget comparisons are made monthly by the Mayor on all revenue and expenditure line items, (4) the use and reconciliation of prenumbered receipts, and (5) in March, 1996 the Town began assigning various accounting responsibilities to another employee.

**RECOMMENDATION**

The Town should continue to be aware of the potential problems caused by an inadequate segregation of duties and should be cognizant of the importance of the mitigating controls.

**RESPONSE**

We are aware of the situation and will continue to perform procedures necessary to mitigate the potential problem. As noted above, the Town has hired an additional employee in the current year and has begun delegating some of the cash disbursements and receipts responsibilities to further help segregate accounting.

## SUPPLEMENTARY INFORMATION

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Union of Louisiana, Louisiana. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Deloitte & Company*

September 17, 1996

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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Philip W. Rebowe, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Timothy Kermer, Mayor, and  
Members of the Board of Aldermen  
Town of Jean Lafitte, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Jean Lafitte, Louisiana as of June 30, 1998 and for the year then ended. These general purpose financial statements are the responsibility of the Town of Jean Lafitte, Louisiana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Jean Lafitte, Louisiana as of June 30, 1998 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 17, 1998 on our consideration of the Town's internal control structure and a report dated September 17, 1998 on its compliance with laws and regulations.

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July 21, 1996, CMA

## **INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Timothy Kerner, Mayor,  
and Members of the Board of Aldermen  
Town of Jean Lafitte, Louisiana

We have audited the general purpose financial statements of the Town of Jean Lafitte, Louisiana (the "Town") as of June 30, 1996 and for the year then ended, and have issued our report thereon dated September 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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File # 010000, 018

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Timothy Kerner, Mayor,  
and Members of the Board of Aldermen  
Town of Jean Lafitte, Louisiana

We have audited the general purpose financial statements of the Town of Jean Lafitte, Louisiana (the "Town") as of June 30, 1996 and for the year then ended, and have issued our report thereon dated September 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## FINANCIAL SECTION

TOWN OF JUAN LAPORTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1996

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. Budget**

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

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. 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.
- c. The budget is then legally enacted through an ordinance adopted by the Board of Aldermen.
- d. Any revisions that alter the total expenditures of the General Fund or line item changes within the General Fund must be approved by the Board of Aldermen.

Budgeted amounts are as originally adopted or as finally amended by resolutions or motions of the Board of Aldermen through June 30, 1996.

**2. Expenditures in Excess of Appropriations**

Some general fund expenditures exceeded their line item budgets. These variances were not considered material and have been approved through motions by the Board of Aldermen. During the year, the Board of Aldermen amended the budget to reflect the Town's intention to purchase land adjacent to the Town Hall. The funds needed to purchase this property were budgeted from a surplus in fund balance.

**NOTE C - CASH AND INVESTMENTS**

At June 30, 1996, the carrying amount of the Town's cash deposits was \$174,148 and the bank balance was \$183,972, all of which was covered by Federal depository insurance or by collateral consisting of securities held by the Town's agent in the Town's name.

Investments held at June 30, 1996 consist of \$145,364 in the Louisiana Asset Management Fund, Inc. (LAMF), a local government investment pool (See Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.303, the investment in LAMF at June 30, 1996 is not categorized in the three risk categories provided by GASB Codification Section

**TOWN OF DAN LAPlTE, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)**  
**For the Year Ended June 30, 1995**

	ACTUAL	BUDGET	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>OTHER</b>			
School festival	\$ 45,500	\$ 45,000	\$ 500
Tennis	6,078	8,821	2,743
Special events	6,550	6,000	550
Miscellaneous	4,343	6,700	2,357
Electric	1,125	3,000	1,875
TOTAL-OTHER	<u>65,596</u>	<u>78,521</u>	<u>12,925</u>
<b>TOTAL-GENERAL GOVERNMENT</b>	<b>\$ 384,875</b>	<b>\$ 388,000</b>	<b>\$ 3,125</b>
<b>CAPITAL OUTLAY</b>			
Streets and sidewalks	\$ 118,000	\$ 100,000	\$ 18,000
Buildings, improvements and equipment	81,144	128,000	46,856
Vehicles	<u>11,011</u>	<u>17,200</u>	<u>6,189</u>
<b>TOTAL-CAPITAL OUTLAY</b>	<b>\$ 210,155</b>	<b>\$ 245,200</b>	<b>\$ 35,045</b>
<b>TOTAL-EXPENDITURES</b>	<b>\$ 594,930</b>	<b>\$ 633,200</b>	<b>\$ 38,270</b>

**TOWN OF BOULLETTTE, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 1966**

	ACTUAL	BUDGET	VARIANCE FAVORABLE (DEBITABLE)
<b>GENERAL GOVERNMENT</b>			
<b>PERSONNEL AND RELATED COSTS</b>			
Salaries - City Park	\$ 41,175	\$ 43,428	\$ 2,253
Salaries - Police	28,258	45,888	17,630
Salaries - Mayor	24,641	24,300	(341)
Salaries - Administrative	17,184	17,331	147
Salaries - Address	9,125	8,500	625
Salaries - Maintenance	4,215	3,800	415
Salaries - Services	1,941	2,000	59
Salaries - Meeting coordinator	1,315	2,000	685
Taxes - Payroll	16,545	12,500	(4,045)
Retirement	4,965	4,000	(965)
Insurance - workmen's compensation	4,180	3,000	1,180
Insurance - unemployment	341	800	459
<b>TOTAL PERSONNEL AND RELATED COSTS</b>	<u>182,230</u>	<u>188,411</u>	<u>(6,181)</u>
<b>PROFESSIONAL AND LEGAL</b>			
Accounting and auditing	600	600	-
Legal - complaints	1,250	1,000	250
<b>TOTAL PROFESSIONAL AND LEGAL</b>	<u>1,850</u>	<u>1,600</u>	<u>250</u>
<b>OFFICE AND ADMINISTRATIVE COSTS</b>			
Utilities	28,280	28,000	(280)
Office expense	7,148	6,500	648
Telephone	4,888	4,500	388
Assistance	5,200	3,000	2,200
Travel	2,488	2,400	88
Official journal	1,125	1,500	375
News and subscriptions	600	500	100
<b>TOTAL OFFICE AND ADMINISTRATIVE COSTS</b>	<u>49,729</u>	<u>48,900</u>	<u>(829)</u>
<b>MAINTENANCE AND SUPPLIES</b>			
Road maintenance and supplies	22,267	20,000	(2,267)
Police supplies and materials	16,568	15,000	1,568
Supplies and maintenance	11,874	11,500	374
Automobile work	2,067	2,000	67
Drainage	1,710	-	1,710
General labor	3,135	2,000	1,135
<b>TOTAL MAINTENANCE AND SUPPLIES</b>	<u>57,621</u>	<u>50,500</u>	<u>(7,121)</u>
<b>INSURANCE</b>			
Insurance - medical	11,644	11,000	644
Insurance - auto and truck	16,321	11,500	4,821
Insurance - liability	8,177	8,000	177
Insurance - building	3,441	3,000	441
<b>TOTAL INSURANCE</b>	<u>39,583</u>	<u>33,500</u>	<u>6,083</u>

(Continued)

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**TOWN OF BRACKLEYVILLE, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 1996**

	ACTUAL	BUDGET	VARIANCE FAVORABLE UNFAVORABLE
<b>TAXES</b>			
Sales	\$ 10,000	\$ 70,000	\$ 10,000
Sales - less collection	10,000	10,000	-
Refunds	7,043	5,000	2,043
Exp	3,773	4,000	(227)
Transfer			
LP&L	11,286	12,000	4,286
Gas Cards	10,500	8,000	2,500
Laminations	1,075	1,000	775
<b>TOTAL TAXES</b>	<u>111,991</u>	<u>122,000</u>	<u>19,479</u>
<b>LICENSES AND FEES</b>			
Occupational license	14,110	10,000	4,110
Insurance books for	11,000	9,000	4,007
Building permit	1,000	4,000	(30)
Electrical inspection	1,070	1,000	611
Alcoholic beverage	1,000	3,000	11,240
Printing inspection	1,770	1,000	(72)
<b>TOTAL LICENSES AND FEES</b>	<u>32,650</u>	<u>38,000</u>	<u>7,096</u>
<b>RENTAL INCOME</b>			
Town Hall (amortized)	12,000	11,000	-
Civic Center	3,000	10,000	11,000
Amusement	5,000	7,000	(2,000)
<b>TOTAL RENTAL INCOME</b>	<u>20,000</u>	<u>28,000</u>	<u>12,000</u>
<b>FINES AND FORFEITURES</b>			
Traffic violations and court costs	(9,441)	10,000	9,551
<b>TOTAL FINES AND FORFEITURES</b>	<u>(9,441)</u>	<u>10,000</u>	<u>9,551</u>
<b>INTERGOVERNMENTAL</b>			
Federal			
State	11,111	9,000	6,111
Private cooperation funds	18,171	25,000	475
Grants	11,980	25,000	14,980
Local			
Grants	1,731	15,000	16,731
<b>TOTAL INTERGOVERNMENTAL</b>	<u>43,993</u>	<u>74,000</u>	<u>33,297</u>
<b>GRABBLE FEES AND COMMISSIONS</b>			
Knives and gunning fees	21,507	101,000	11,000
<b>TOTAL GRABBLE FEES AND COMMISSIONS</b>	<u>21,507</u>	<u>101,000</u>	<u>11,000</u>
<b>OTHER REVENUES</b>			
Ballot returns	101,000	101,000	600
Special events	10,000	10,000	50
Insurance income	9,000	10,000	1,000
Salvage equipment	2,770	-	2,770
Miscellaneous	1,760	500	1,260
<b>TOTAL OTHER REVENUES</b>	<u>125,530</u>	<u>122,000</u>	<u>8,030</u>
<b>TOTAL REVENUES</b>	<u>\$ 488,611</u>	<u>\$ 470,000</u>	<u>\$ 18,611</u>

This report is intended for the information of the Board of Aldermen, management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Town of Jean Lafitte, Louisiana, is a matter of public record.

*Release & Copying*

September 17, 1986

**GENERAL PURPOSE FINANCIAL STATEMENTS**

TOWN OF JEANLAFFITE, LOUISIANA  
 SCHEDULE OF ALDERMEN'S PER DIEM  
 For the Year Ended June 30, 1996

	Number of Special Meetings	Number of Regular Meetings	<u>Amount</u>
Elaine Buchanan	3	12	\$ 1,875
Shirley Guille	3	12	1,875
Leo Kersee, Jr.	3	12	1,850
Calvin Lofgren	3	12	1,875
Verna Smith	3	12	<u>1,850</u>
 TOTAL			 <u>\$ 9,325</u>

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1995**

**NOTE C - CASH AND INVESTMENTS (Continued)**

ISS 164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 360 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**NOTE D - FIXED ASSETS**

The following is a summary of changes in the general fixed assets account group during the year ended June 30, 1995:

	Balance July 1, 1993	Additions	Deletions and Transfer	Balance June 30, 1995
Land	\$ 379,000	\$ 170	\$ -	\$ 379,170
Buildings and improvements	1,501,378	49,764	-	1,551,142
Furniture, fixtures and equipment	113,533	15,717	-	129,250
Vehicles and heavy equipment	81,294	20,681	(11,551)	90,424
<b>Total general fixed assets</b>	<b>\$ 2,155,205</b>	<b>\$ 86,332</b>	<b>\$ (11,551)</b>	<b>\$ 2,229,986</b>

**NOTE E - SALES TAX**

As July 1, 1995, the total sales tax levied on purchases within the Town limits was 8.34%. Of this amount, the State levies 4%, the Jefferson Parish Public School System levies 1.125%, the Jefferson Parish Sheriff's Office levies 1.49%, and the Parish of Jefferson levies the remaining .74%. Sales

## COMPLIANCE SECTION

TOWN OF JEAN LAFITTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. **Fixed Assets (Continued)**

The costs of renewal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated.

9. **Compensated Absence**

Annual and sick leave is expensed 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 twelve month period following their anniversary date of employment. In the opinion of management, the liability due at June 30, 1996 would not be material to the financial statements.

10. **Fund Equity**

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

11. **Total Columns on Combined Statements**

Total columns on the general purpose financial statements are captioned "Information Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWN OF JEAN LAHITTE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
June 30, 1996

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Cash and Investments**

For reporting purposes, cash includes demand deposits.

Louisiana revised statutes (LSA - R.S. 33:2955) authorize the Town to invest in (1) United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1771, or any other federally insured investment, or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Fund, Inc. (LAMF), a non-profit corporation organized under the laws of the State of Louisiana. Investments are stated at cost.

**4. Inventory**

The cost of material 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, 1996 would not be material to the financial statements.

**7. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 1996 are recorded as prepaid items. These amounts will be expensed as their benefit expires.

**8. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

TOWN OF JEAN LAFETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Basis of Accounting*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues (i.e., revenues and other financing sources) and expenses (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when measurable and available (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Taxes and fees collected and held by intermediary collecting governments at year end on behalf of the Town are recognized as revenues. Other revenues susceptible to accrual are intergovernmental revenues and franchise fees. Fines, forfeitures, rentals, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

4. *Budgets*

Formal budgetary accounting is employed as a management control device during the year for the General Fund.

The level of budgetary control 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 generally accepted accounting principles ("GAAP"). Budgetary comparisons presented in the accompanying financial statements are on a GAAP basis.

TOWN OF JEAN LAFITTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

**NOTE A - 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 government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Town's accounting policies are described below:

**1. Financial Reporting Entity**

The Town of Jean Lafitte was incorporated in 1974 under the provisions of the Louisiana Act. The Town is governed by a Mayor-Board of Aldermen form of government (R.S. 33:521-481).

The Town's major operations include public safety, recreation, and general administrative services. The accompanying financial statements include all government activities, organizations, and functions for which the Town is financially accountable.

**2. Fund Accounting**

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The funds of the Town are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all of the Town's general activities. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

TOWN OF JEAN LAFFITE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE PAYABLE/ (UNAVAILABLE)</u>
<b>REVENUES</b>			
Taxes	\$ 140,916	\$ 122,500	\$ 18,416
Licenses and permits	35,834	28,000	7,834
Rental income	25,594	28,000	(2,406)
Fees and forfeitures	18,441	30,000	(11,559)
Intergovernmental	111,629	95,000	16,629
Gambling fees and commissions	213,907	190,000	23,907
Other	<u>133,655</u>	<u>127,600</u>	<u>6,055</u>
<b>TOTAL REVENUES</b>	<u>680,571</u>	<u>572,000</u>	<u>108,571</u>
<b>EXPENDITURES</b>			
Current			
General government	384,976	388,888	(3,912)
Capital outlay	<u>190,148</u>	<u>226,600</u>	<u>(36,452)</u>
<b>TOTAL EXPENDITURES</b>	<u>575,124</u>	<u>615,488</u>	<u>(39,364)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	105,447	(43,488)	148,935
<b>FUND BALANCE, beginning of year</b>	<u>260,135</u>	<u>260,126</u>	<u>9</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 365,582</u>	<u>\$ 216,638</u>	<u>\$ 148,935</u>

See accompanying notes to financial statements.

TOWN OF JEAN LAFITTE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND  
 For the Year Ended June 30, 1996

	GOVERNMENTAL FUND TYPE
	GENERAL
<b>REVENUES</b>	
Taxes	\$ 141,916
Licenses and permits	33,878
Rental income	25,994
Fees and forfeitures	18,441
Intergovernmental	111,620
Guarding fees and commissions	203,687
Other	<u>133,655</u>
<b>TOTAL REVENUES</b>	<u>688,671</u>
<b>EXPENDITURES</b>	
Current	
General government	384,970
Capital outlay	<u>155,148</u>
<b>TOTAL EXPENDITURES</b>	<u>540,118</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>148,553</u>
<b>FUND BALANCE, beginning of year</b>	<u>260,176</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 408,729</u>

See accompanying notes to financial statements.

**TOWN OF JEAN LAFITTE, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES**  
**AND ACCOUNT GROUPS**

June 30, 1996

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP	TOTAL COMBINATION (208.2)
	GENERAL	GENERAL FUND ASSETS	(208.2)
<b>ASSETS AND OTHER DEBITS</b>			
Cash	\$ 176,348	\$ -	\$ 176,348
Investments	142,561	-	142,561
Receivables			
Sales taxes	17,931	-	17,931
Intergovernmental	13,280	-	13,280
Franchise fees	7,895	-	7,895
Miscellaneous	347	-	347
Prepaid items	19,181	-	19,181
Deposit on hand	8,850	-	8,850
Property, plant and equipment	-	2,289,342	2,289,342
	<u>\$ 344,542</u>	<u>\$ 2,289,342</u>	<u>\$ 2,633,884</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>			
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>Liabilities</b>			
Accounts payable	\$ 15,474	\$ -	\$ 15,474
Deferred revenue	330	-	330
	<u>15,804</u>	<u>-</u>	<u>15,804</u>
<b>TOTAL LIABILITIES</b>			
<b>Equity and other credits</b>			
Investment in general fund assets	-	2,289,342	2,289,342
Fund balances			
Reserved for prepaid items	19,181	-	19,181
Reserved for purchase of land	70,000	-	70,000
Unreserved and undesignated	232,542	-	232,542
	<u>321,723</u>	<u>-</u>	<u>321,723</u>
<b>TOTAL EQUITY AND OTHER CREDITS</b>			
	<u>344,542</u>	<u>2,289,342</u>	<u>2,633,884</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>			
	<u>\$ 344,542</u>	<u>\$ 2,289,342</u>	<u>\$ 2,633,884</u>

See accompanying notes to financial statements.

TOWN OF JEAN LAFFITE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1996

**NOTE E - SALES TAX (Continued)**

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 1.17% of the amount collected.

Of the 7% levied by the Parish, 1.05% is retained to the Jefferson Parish Public School System, 1% is retained to the Parish for sewer capital and law enforcement, 1.05% is retained to the Parish for drainage purposes, and the balance (1.17%) is retained to the Town (as an incorporated municipality).

The 1.45% levied by the Sheriff's Office is retained directly to the Town for law enforcement and is recognized in the General Fund.

**NOTE F - RESERVATIONS OF FUND BALANCE**

**1. Reserved for Prepaid Items**

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available, spendable resource of the General Fund even though it is a component of current assets.

**2. Reserved for Purchase of Land**

This reserve represents funds to be used for the purchase of land adjacent to the Town Hall.

**NOTE G - EMPLOYEE BENEFIT PLAN**

The Town adopted a profit sharing plan with elective 401(k) provisions covering substantially all of its employees. An independent party has been selected to administer and act as trustee for the plan. The plan is a defined contribution plan, with all contribution amounts (if any) determined by the Board of Aldermen. Contributions to the plan totaled \$6,965 for the year ended June 30, 1996. Plan assets are owned by the plan participants and are not included in the financial statements of the Town.