
**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

FINANCIAL STATEMENTS

DECEMBER 31, 2023



**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jefferson Parish Economic Development Commission
Avondale, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson Parish Economic Development Corporation (JEDCO), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise JEDCO'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of JEDCO, as of December 31, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JEDCO 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 JEDCO'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.

Auditor's 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 auditor's 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 JEDCO'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 JEDCO'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 4-12 and budgetary comparison information on pages 44-52 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 JEDCO's basic financial statements. The accompanying statement of financial position for JEDCO Development Corporation, the statement of activities and change in net assets for JEDCO Development Corporation, the schedule of compensation, benefits, and other payments to agency head or chief executive, 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 relates 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 accompanying statement of financial position for JEDCO Development Corporation, the statement of activities and change in net assets for JEDCO Development Corporation, the schedule of compensation, benefits, and other payments to agency head or chief executive, 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 June 14, 2024, on our consideration of JEDCO'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 JEDCO'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 JEDCO's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 14, 2024

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

As financial management of the Jefferson Parish Economic Development Commission (JEDCO), we offer readers of these financial statements this narrative overview and analysis of the financial activities of JEDCO for the fiscal year ending December 31, 2023. This discussion and analysis is designed to assist the reader with focusing on significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements taken as a whole.

FINANCIAL HIGHLIGHTS

- The assets of JEDCO exceeded its liabilities at the close of the most recent fiscal year by \$35,972,766 (net position). Of this amount, \$4,071,738 as of December 31, 2023, is unrestricted net position, which may be used to meet JEDCO's ongoing obligations to citizens and creditors.
- JEDCO's net position increased by \$1,268,956 during the year ended December 31, 2023.
- JEDCO's governmental funds reported combined ending fund balance of \$19,122,757 as of December 31, 2023.
- JEDCO capital project expenditures were \$9,559 for the purchase of computer and technology related equipment during the year ended December 31, 2023.
- During the year ended December 31, 2023, JEDCO received funding of \$1,727,967 for the Avondale Gate Complex and incurred expenses of \$1,727,967 related to this project.
- During the year ended December 31, 2023, JEDCO recorded bad debt expense of \$819,221 primarily related to loans to one borrower that is uncollectible.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to JEDCO's basic financial statements. JEDCO's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of JEDCO's finances, in a manner similar to a private sector business. The statement of net position presents financial information on all of JEDCO's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of JEDCO is improving or deteriorating.

The statement of activities presents information showing how JEDCO's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of JEDCO that are principally supported by intergovernmental revenues and charges for services. The governmental activities of JEDCO include administrative, economic development services, marketing, financing, Jefferson Edge, tech park, strategic initiatives, and conference center expenditures.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

The government-wide financial statements can be found on pages 13 to 14 of this report and include the discretely presented component units, Forward Jefferson Corporation (FORJ) and JEDCO Development Corporation.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. JEDCO, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of JEDCO are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund activities focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation between governmental funds and governmental activities.

JEDCO maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, for the General Fund, Jefferson Edge Fund, EDA Revolving Loan Fund, BRGL/LRCF Revolving Loan Fund, ILTAP Fund, COVID-19 EDA Revolving Loan Fund, COVID-19 SEA Revolving Loan Fund, CARES EDA, SSBCI, and JEDCO Debt Service Fund, all of which are reported as major funds.

JEDCO adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. Budgetary comparison schedules have been provided for the General Fund and all major Special Revenue Funds in the required supplementary information.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support JEDCO's own programs. The fiduciary fund financial statements can be found on pages 19 and 20 of this report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

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 the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information in the form of budgetary comparison schedules for the General Fund and all major Special Revenue Funds. This information was discussed earlier in the governmental fund section. The required supplementary information begins on page 44 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of JEDCO, assets exceeded liabilities by \$35,972,766 as of December 31, 2023.

Net Position

The most significant component of JEDCO's net position is the unrestricted balance of \$4,071,738 and this may be used to meet the government's ongoing obligations to its citizens and creditors. Net investment in capital assets was \$16,942,673 as of December 31, 2023. Net position restricted for economic development, Jefferson Edge, EDA Revolving Loan Fund, BRGL/LRCF Revolving Loan Fund, ILTAP Revolving Loan Fund, EDA COVID-19 Revolving Loan Fund, COVID-19 SEA Revolving Loan Fund, CARES EDA Fund, and SSBCI Fund was \$150,761, \$736,558, \$893,282, \$5,553,129, \$2,284,865, \$1,372,886, \$988,095, \$961,257, and \$2,017,522, respectively as of December 31, 2023.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 9,526,659	\$ 8,177,795
Notes receivable	10,551,181	9,742,975
Capital assets	18,222,673	19,100,626
Total assets	<u>\$ 38,300,513</u>	<u>\$ 37,021,396</u>
Current liabilities	\$ 1,116,083	\$ 936,299
Long-term liabilities	1,211,664	1,381,287
Total liabilities	<u>2,327,747</u>	<u>2,317,586</u>
Net investment in capital assets	16,942,673	17,665,626
Restricted		
Economic development	150,761	142,949
Jefferson Edge	736,558	718,695
EDA revolving loan fund	893,282	1,135,028
BRGL/LRCF revolving loan fund	5,553,129	6,985,163
ILTAP revolving loan fund	2,284,865	2,275,756
EDA COVID-19 fund	1,372,886	1,367,228
SEA fund	988,095	432,027
Cares EDA	961,257	-
SSBCI	2,017,522	-
JEDCO Debt Service Fund	-	-
Unrestricted	4,071,738	3,981,338
Total net position	<u>\$ 35,972,766</u>	<u>\$ 34,703,810</u>

Net investment in capital assets represents JEDCO's net book value of its fixed assets, less any related debt used to acquire those assets. It is the accumulation of years of investments in fixed assets. These assets are not available for spending. The restricted portion of net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$4,071,738 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current period and the prior year, JEDCO is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The government's net position increased by \$1,268,956 during the year ended December 31, 2023. Combined program revenues of \$4,112,297 and general revenues of \$5,024,903 exceeded expenses of \$7,868,244.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
CONDENSED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Program revenues:		
Charges for services	\$ 820,414	\$ 774,319
Operating grants and contributions	3,291,883	770,540
Capital grants and contributions	1,727,967	-
General revenues:		
Share of occupational license	2,482,089	2,275,059
Interest and investment earnings	700,593	527,503
Miscellaneous	114,254	149,963
Total revenues	<u>9,137,200</u>	<u>4,497,384</u>
Expenses:		
Administrative	3,160,960	2,305,770
Economic development services	411,848	467,204
Marketing	332,566	317,572
Industry recruitment	127,658	-
Financing	476,780	476,371
Business Innovation Center	-	353,671
Tech Park	232,313	246,291
Strategic initiatives	540,833	119,420
Conference center	38,098	125,801
Bad debt expense	819,221	-
Avondale Gate Complex	1,727,967	-
Total expenses	<u>7,868,244</u>	<u>4,412,100</u>
Change in net position	1,268,956	85,284
Net position, beginning of year	34,703,810	34,618,526
Net position, end of year	<u>\$ 35,972,766</u>	<u>\$ 34,703,810</u>

Governmental Activities

Governmental activities increased JEDCO's net position by \$1,268,956 during the year ended December 31, 2023. Key elements of this increase are summarized below.

Total revenues increased by \$4,639,816. Operating grants and contributions increased by \$2,521,343 in 2023. JEDCO recognized \$949,750 in federal funding received in 2023 from the Cares EDA Fund and \$1,000,000 of federal revenue in the SSBCI fund which did not occur during the 2022 year. The increase in the capital grants and contributions and the expenditures of \$1,727,967 is due to the funding received and the related expenses for the Avondale Gate Complex.

Within general revenues, JEDCO's share of occupational license revenues received from Jefferson Parish increased by \$207,030 over the prior year. The increase is due to the 2016 resolution by the Jefferson Parish Council increasing the allocation annually based on adjustments in the consumer price index. Interest and investment earnings income and miscellaneous revenues increased by \$173,090 and decreased by \$35,709, respectively.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Governmental Activities (continued)

Expenses increased by \$3,456,144 in 2023 as compared with 2022, which was primarily comprised of increases of \$1,727,967, \$855,190, \$819,221, and \$421,413 in Avondale Gate Complex expenses, administrative, bad debt expense, and strategic initiatives to support JEDCO growth initiatives for programs supporting economic development.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, JEDCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of JEDCO's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing JEDCO's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2023, JEDCO's governmental funds reported combined fund balances of \$19,122,757, an increase of \$1,983,286 in comparison with the prior year. Of this balance, \$1,647,330 is unassigned. The General Fund is the chief operating fund of JEDCO. At the end of the current year, the General Fund had a total fund balance of \$5,084,287, of which \$1,647,330 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 30% of total General Fund expenditures. The General Fund's fund balance increased by \$89,589 during the year ended December 31, 2023. The largest single revenue source for the General Fund continues to be JEDCO's share of occupational license revenues from Jefferson Parish. The occupational license revenue recognized in the General Fund increased \$2,275,059 from the prior year to \$2,482,089 in 2023. Included in revenue and expenses in the general fund is \$1,727,967 for funding and related improvements to the Avondale Gate Complex.

The Jefferson Edge Special Revenue Fund has a total fund balance of \$736,558, of which \$194,228 is assigned and \$542,330 is restricted for use based on the donors' intent. Fund balance increased by \$17,863 for the year ended December 31, 2023.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Governmental Funds (continued)

The EDA Revolving Loan Special Revenue Fund has a total fund balance of \$893,282, of which \$370,666 is nonspendable and \$522,616 is restricted. Fund balance decreased by \$241,746 for the year ended December 31, 2023.

The BRGL/LRCF Revolving Loan Special Revenue Fund has a total fund balance of \$5,553,129, of which \$2,951,544 is nonspendable and \$2,601,585 is restricted. Fund balance decreased by \$1,432,034 for the year ended December 31, 2023.

The ILTAP Revolving Loan Special Revenue Fund has a total fund balance of \$2,284,865, of which \$1,715,091 is nonspendable and \$569,774 is restricted. Fund balance increased by \$9,109 for the year ended December 31, 2023.

The COVID-19 EDA Revolving Loan Special Revenue Fund has a total fund balance of \$1,372,886 of which \$885,226 is nonspendable and \$487,660 is restricted. Fund balance increased by \$5,658 for the year ended December 31, 2023.

The COVID-19 SEA Revolving Loan Special Revenue Fund has a total fund balance of \$988,095, of which \$739,328 is nonspendable and \$248,767 is restricted. Fund balance increased by \$556,068 for the year ended December 31, 2023.

The CARES EDA Fund has a total fund balance of \$961,257, of which \$774,521 is nonspendable and \$186,736 is restricted for the year ended December 31, 2023.

The SSBCI Fund has a total fund balance of \$2,017,522, of which \$458,971 is nonspendable and \$1,558,551 is restricted for the year ended December 31, 2023.

The JEDCO Debt Service Fund has a total fund balance of \$-0-. The fund was created in 2015 through the issuance of revenue bonds. The total fund balance is restricted for the future debt service of the revenue bonds.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

JEDCO's budget is prepared according to Louisiana law. During the year, JEDCO revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. A statement showing JEDCO's original and final budget compared with actual operating results is provided in this annual report. The General Fund's actual revenues exceeded projected revenues by \$846,399, and actual expenditures exceeded projected expenditures in 2023 by \$511,480.

A comparison of actual results as of December 31, 2023, and the final budget for the General Fund are as follows:

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Total Revenues	\$ 4,995,106	\$ 5,841,504	\$ 846,398
Total Expenditures	5,028,832	5,540,311	511,479
Transfers In (Out)	(211,644)	(211,604)	40
Total Net Change	<u>\$ (245,370)</u>	<u>\$ 89,589</u>	<u>\$ 334,959</u>

CAPITAL ASSETS, DEPRECIATION, AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2023, JEDCO had \$18,222,676 invested in capital assets. This amount is net of accumulated depreciation to date. The net book value of capital assets as of December 31, 2023, is as follows:

Land and improvements	\$ 8,293,804
Infrastructure, net	3,418,706
Office furniture and equipment, net	42,196
Conference Center furniture and equipment, net	2,395
Conference Center building, net	2,116,795
JEDCO building and improvements, net	4,348,777
Total capital assets, net	<u>\$ 18,222,673</u>

Long-Term Obligations

JEDCO's long-term obligations as of December 31, 2023, are comprised of:

Revenue bonds	\$ 1,280,000
Compensated absences payable	92,664
Total	<u>\$ 1,372,664</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

There are factors that JEDCO expects to influence next year's budget, causing an increase in JEDCO's operating expenses. The EDGE 2025 calls for JEDCO to augment the staff with a position focusing solely on entrepreneurship and innovation, and to carry out those functions a new Director-level position must be created. Also, to develop and promote the Churchill Technology & Business Park and larger Fairfield area in alignment with the Park's Master Plan and Strategic Business Plan, JEDCO will need to hire a director-level position to lead the effort of developing Churchill Park.

A factor that continues to affect JEDCO's operating budget stems from the state of Louisiana's insurance market. JEDCO's administration has engaged in a comprehensive review of JEDCO's liability and property insurance successfully lowering the annual premium expense for the 2024 renewal. JEDCO will continue its collective work with Jefferson Parish to implement actions and legislative reforms to improve the insurance market in Jefferson Parish. The Parish Council has provided funding to underwrite an insurance action plan to further this effort.

JEDCO believes there are other factors in 2024 that could increase its operational revenues, including a larger than normal increase in operational funding received from Jefferson Parish due to rising inflation rates. Furthermore, JEDCO and industry leaders have begun meeting with the Parish Administration and Council to discuss an increase in JEDCO's operational funding given the increase in the Parish's reliance on JEDCO's delivery of new initiatives.

CONTACTING JEDCO'S FINANCIAL MANAGEMENT

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of JEDCO's finances and to demonstrate JEDCO's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact JEDCO at 700 Churchill Parkway Boulevard, Avondale, Louisiana 70094 or call (504) 875-3908 during regular office hours.

FINANCIAL SECTION

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government	Discretely Presented Component Units
	Governmental Activities	Component Units
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,444,582	\$ 267,662
Investments	3,837,805	-
Receivables	885,499	-
Notes receivable, net	10,551,181	-
Due from other funds	46,997	-
Due from JEDCO Development Corporation	250,830	-
Prepaid expenses or expenditures	60,946	-
Capital assets not being depreciated	8,293,804	-
Capital assets being depreciated, net	9,928,869	-
	\$ 38,300,513	\$ 267,662
<u>LIABILITIES</u>		
Accounts payable	\$ 908,086	\$ -
Due to other funds	46,997	-
Due to JEDCO	-	250,830
Escrow deposits	-	13,507
Compensated absences payable, non-current	92,664	-
Non current liabilities		
Due within one year	161,000	-
Due in more than one year	1,119,000	-
Total liabilities	2,327,747	264,337
<u>NET POSITION</u>		
Net investment in capital assets	16,942,673	-
Restricted for:		
Economic Development	150,761	-
Jefferson Edge	736,558	-
EDA Revolving Loan Fund	893,282	-
BRGL/LRCF Fund	5,553,129	-
ILTAP Fund	2,284,865	-
EDA COVID-19 Fund	1,372,886	-
SEA Fund	988,095	-
Cares EDA	961,257	-
SSBCI	2,017,522	-
JEDCO Debt Service Fund	-	-
Unrestricted net position (deficit)	4,071,738	3,325
Total net position (deficit)	\$ 35,972,766	\$ 3,325

The accompanying notes are an integral part of this financial statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenue			Net Revenue (Expense) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Discretely Presented Component Units
PRIMARY GOVERNMENT						
Governmental activities:						
Administrative	\$ 3,160,960	\$ 802,289	\$ -	\$ -	\$ (2,358,671)	\$ -
Economic development services	411,848	2,490	2,999,922	-	2,590,564	-
Marketing	332,566	-	-	-	(332,566)	-
Industry recruitment	127,658	-	-	-	(127,658)	-
Financing	476,780	15,635	-	-	(461,145)	-
Tech park	232,313	-	286,500	-	54,187	-
Strategic initiatives	540,833	-	-	-	(540,833)	-
Conference center	38,098	-	5,461	-	(32,637)	-
Bad debt expense	819,221	-	-	-	(819,221)	-
Avondale Gate Complex	1,727,967	-	-	1,727,967	-	-
Total governmental activities	<u>\$ 7,868,244</u>	<u>\$ 820,414</u>	<u>\$ 3,291,883</u>	<u>\$ 1,727,967</u>	<u>(2,027,980)</u>	<u>-</u>
DISCRETELY PRESENTED COMPONENT UNITS						
Forward Jefferson Corporation (FORJ)	\$ 45,500	\$ -	\$ -	\$ -	-	(45,500)
JEDCO Development Corporation (JDC)	147,653	-	-	-	-	(147,653)
Total component units	<u>\$ 193,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,027,980)</u>	<u>(193,153)</u>
GENERAL REVENUES						
					2,482,089	-
					381,730	-
					318,863	-
					114,254	195,211
					<u>3,296,930</u>	<u>195,211</u>
					1,268,956	2,058
					34,703,810	1,267
					<u>\$ 35,972,760</u>	<u>\$ 3,325</u>

The accompanying notes are an integral part of this financial statement

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL LRCF Fund	ILTAP Fund	COVID-19 EDA Fund	COVID-19 SEA Fund	Cares EDA Fund	SSBCI Fund	JEDCO Debt Service Fund	Total Governmental Funds
ASSETS											
Cash and cash equivalents	\$ 553,921	\$ 293,558	\$ 337,426	\$ 1,204,938	\$ 206,450	\$ 285,847	\$ 132,791	\$ 127,340	\$ 1,389,311	\$ -	\$ 4,444,582
Investments	3,286,094	551,711	-	-	-	-	-	-	-	-	3,837,805
Receivables	885,499	-	-	-	-	-	-	-	-	-	885,499
Notes receivable, net	-	-	557,936	4,383,056	2,103,968	1,087,404	855,304	935,252	628,211	-	10,551,181
Due from other funds	46,997	-	-	-	-	-	-	-	-	-	46,997
Due from JEDCO Development Corporation	250,830	-	-	-	-	-	-	-	-	-	250,830
Prepaid expenses or expenditures	60,946	-	-	-	-	-	-	-	-	-	60,946
TOTAL ASSETS	\$ 5,084,287	\$ 755,269	\$ 895,362	\$ 5,587,994	\$ 2,310,438	\$ 1,376,251	\$ 988,095	\$ 1,062,622	\$ 2,017,522	\$ -	\$ 20,077,840
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ 769,124	\$ 12,087	\$ -	\$ 25,510	\$ -	\$ -	\$ -	\$ 101,365	\$ -	\$ -	\$ 908,086
Due to other funds	-	6,624	2,080	9,355	25,573	3,365	-	-	-	-	46,997
TOTAL LIABILITIES	769,124	18,711	2,080	34,865	25,573	3,365	-	101,365	-	-	955,083
FUND BALANCES											
Nonspendable	60,946	-	370,666	2,951,544	1,715,091	885,226	739,328	774,521	458,971	-	7,956,293
Restricted	150,761	542,330	522,616	2,601,585	569,774	487,660	248,767	186,730	1,558,551	-	6,868,780
Committed	1,364,500	-	-	-	-	-	-	-	-	-	1,364,500
Assigned	1,091,626	194,228	-	-	-	-	-	-	-	-	1,285,854
Unassigned	1,647,330	-	-	-	-	-	-	-	-	-	1,647,330
TOTAL FUND BALANCES	4,315,163	736,558	893,282	5,553,129	2,284,865	1,372,886	988,095	961,257	2,017,522	-	19,122,757
BALANCE	\$ 5,084,287	\$ 755,269	\$ 895,362	\$ 5,587,994	\$ 2,310,438	\$ 1,376,251	\$ 988,095	\$ 1,062,622	\$ 2,017,522	\$ -	\$ 20,077,840

The accompanying notes are an integral part of this financial statement

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances \$ 19,122,757

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the government-wide statement of net position

Cost of capital assets	\$ 23,957,107	
Less: Accumulated depreciation	<u>(5,734,434)</u>	18,222,673

Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	\$ (1,280,000)	
Compensated absences	<u>(92,664)</u>	<u>(1,372,664)</u>

Net position of governmental activities \$ 35,972,766

The accompanying notes are an integral part of this financial statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL LRCF Fund	ILTAP Fund	COVID-19 EDA Fund	COVID-19 SEA Fund	Cares EDA	SSBCI	JEDCO Debt Service Fund	Total Governmental Funds
REVENUES											
Intergovernmental											
Share of Jefferson Parish occupational licenses	\$ 2,482,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,482,089
State of Louisiana capital outlay revenue	1,727,967	-	-	-	-	-	-	-	-	-	1,727,967
CEA revenue	221,926	-	-	-	-	-	-	-	-	-	221,926
Federal revenue	303,725	-	-	-	-	-	724,521	949,780	1,000,000	-	2,777,996
Charges for service	820,414	-	-	-	-	-	-	-	-	-	820,414
Conference Center	5,461	-	-	-	-	-	-	-	-	-	5,461
Interest and investment earnings	182,962	29,046	38,244	251,041	81,686	47,000	31,547	11,907	17,822	-	700,895
Miscellaneous	86,960	-	-	-	26,960	334	-	-	-	-	114,294
Donations	-	286,500	-	-	-	-	-	-	-	-	286,500
Total Revenues	5,841,504	315,546	38,244	251,041	108,646	47,332	756,068	961,257	1,017,822	-	9,137,200
EXPENDITURES											
Administrative	1,900,142	40,240	36,075	107,771	99,537	41,714	-	-	-	-	2,225,469
Economic development services	373,098	38,750	-	-	-	-	-	-	-	-	411,848
Marketing	290,055	42,513	-	-	-	-	-	-	-	-	332,568
Industry recruitment	127,650	-	-	-	-	-	-	-	-	-	127,650
Financing	476,780	-	-	-	-	-	-	-	-	-	476,780
Business Innovation Center	-	-	-	-	-	-	-	-	-	-	-
Tech park	56,145	176,120	-	-	-	-	-	-	-	-	232,265
Strategic initiatives	540,835	-	-	-	-	-	-	-	-	-	540,835
Conference center	38,098	-	-	-	-	-	-	-	-	-	38,098
Bad debt expense	-	-	243,917	875,304	-	-	-	-	-	-	1,119,221
Avondale Gate Complex	1,727,967	-	-	-	-	-	-	-	-	-	1,727,967
Capital outlay	9,559	-	-	-	-	-	-	-	-	-	9,559
Debt service	-	-	-	-	-	-	-	-	-	211,604	211,604
Total Expenditures	5,540,311	297,663	279,990	883,075	99,537	41,714	-	-	-	211,604	7,153,914
Excess (Deficiency) of Revenue Over (Under) Expenditures	301,193	17,883	(241,746)	(432,034)	9,109	5,658	556,068	961,257	1,017,822	(211,604)	1,983,286
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	1,000,000	211,604	1,211,604
Transfers out	(211,604)	-	-	(1,000,000)	-	-	-	-	-	-	(1,211,604)
Total Other Financing Sources (Uses)	(211,604)	-	-	(1,000,000)	-	-	-	-	1,000,000	211,604	-
NET CHANGE IN FUND BALANCE	89,589	17,883	(241,746)	(1,432,034)	9,109	5,658	556,068	961,257	2,017,822	-	1,983,286
FUND BALANCES, BEGINNING OF YEAR	4,227,574	718,695	1,135,028	6,985,163	2,275,756	1,367,228	432,022	-	-	-	17,129,471
FUND BALANCES, END OF YEAR	\$ 4,315,163	\$ 736,578	\$ 893,282	\$ 5,553,129	\$ 2,284,865	\$ 1,372,886	\$ 988,090	\$ 961,257	\$ 2,017,822	\$ -	\$ 19,122,757

The accompanying notes are an integral part of this financial statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of activities are different as follows

Net change in fund balances - total governmental funds	\$	1,983,286
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as this is the amount by which depreciation expense exceeded capital outlays and disposals in the current period.</p>		
Capital asset additions	\$	9,559
Capital asset disposals, net of \$153,282 in accumulated depreciation		(443,022)
Current year depreciation expense		(444,490)
		(877,953)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position		155,000
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		8,623
		8,623
Change in net position of governmental activities	\$	1,268,956

The accompanying notes are an integral part of this financial statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,934,485
	<u>3,934,485</u>
Total assets	<u>\$ 3,934,485</u>
<u>LIABILITIES</u>	
Escrow deposit	\$ 3,934,485
Total liabilities	<u>3,934,485</u>
<u>NET POSITION</u>	
Unrestricted	<u>-</u>
Total net position	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies

History and Organization

The Jefferson Parish Economic Development Commission (JEDCO) is a special district of Jefferson Parish, Louisiana which was created by House Bill No. 908 of the 1987 Regular Session of the Louisiana Legislature. The name under which it was created is Jefferson Parish Economic Development and Port District, but in accordance with its bylaws, it operates under the name Jefferson Parish Economic Development Commission or JEDCO.

Basis of Presentation

The accompanying financial statements of JEDCO have been prepared in conformity with accounting principles generally accepted in the United States of America (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 GASB authoritative guidance is documented in the GASB Codification.

Reporting Entity

The financial reporting entity consists of JEDCO, organizations for which JEDCO is financially accountable and organizations that raise and hold economic resources for the direct benefit of JEDCO. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of JEDCO. In addition, any legally separate organizations for which JEDCO is financially accountable are considered part of the reporting entity. Financial accountability exists if JEDCO appoints a voting majority of the organization's governing board or if the organization is fiscally dependent and is able to impose its will on the organization, or if the organization has the potential to provide benefits to or impose financial burdens on JEDCO.

Based on the application of these criteria, JEDCO was determined to be a component unit of Jefferson Parish, Louisiana, which is the governing body with oversight responsibility. The accompanying basic financial statements present information only on the funds maintained by JEDCO and its discretely presented component units and do not present information on Jefferson Parish, the general government services provided by Jefferson Parish, or the other governmental units that comprise the governmental reporting entity of Jefferson Parish.

Based on the application of these criteria, JEDCO includes its discretely presented component units Forward Jefferson Corporation (a non-profit organization) (FORJ) and JEDCO Development Corporation (a non-profit organization) (JDC) as supplemental information in this report. As defined in GASB authoritative guidance component units are legally separate entities that are included in JEDCO's reporting entity because of the significance of their operating or financial relationships with JEDCO. The purpose of FORJ is to assist in the economic growth and development of business concerns in the Jefferson Parish area. The purpose of JDC is to assist in the growth and development of small business concerns in the State of Louisiana pursuant to Section 504 of the Development Company Program of the Small Business Investment Act of 1958, as amended. Separate financial statements for FORJ and JDC are not issued.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (based on JEDCO as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statement) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. This government-wide focus is more on the sustainability of JEDCO as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (administrative, economic development, and conference center, etc.) which are otherwise being supported by general government revenues (occupational licenses, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. JEDCO does not allocate indirect costs. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. The program revenues must be directly associated with the function or business-type activity. Program revenues include charges for services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The remaining net expenses (by function or business-type activity) are normally covered by general revenue (occupational licenses and interest income.)

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which the funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how JEDCO's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental activities column, a reconciliation is presented on the page following each statement, which explains the adjustments necessary to transform the fund based financial statements into the governmental activities' column of the government-wide presentation.

Basis of Presentation – Governmental Funds

The financial transactions of JEDCO are recorded in individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows of resources, deferred outflows of resources, fund balance, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation – Governmental Funds (continued)

The measurement focus of the governmental funds (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of JEDCO:

General Fund – The General Fund is the government's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. JEDCO reports the following special revenue funds:

The Jefferson Edge Fund is the government's primary fund for the Jefferson Edge Program. This program supports the overall economic development strategic plan for Jefferson Parish. This fund is supported by Jefferson Parish and the private sector through annual or multi-year commitments.

The EDA Revolving Loan Fund accounts for the grants received from the Economic Development Administration. On March 7, 2021, EDA released the federal interest in the program under an agreement to use available funds for economic development purposes consistent with the Public Works and Economic Development Act of 1965.

The BRGL/LRCF Revolving Loan Fund accounts for the activity of the Business Recovery Grant and Loan Program as funded by the Department of Housing and Urban Development through the State of Louisiana Office of Economic Development (LED). Effective March 24, 2016, LED terminated the funding agreement and its oversight responsibilities to allow JEDCO to use BRGL/LRCF available funds for general lending activities that qualify under Section 105(a) 145 of the Housing and Community Development Act of 1974.

The ILTAP Revolving Loan Fund accounts for the activity of the Innovation Loan and Technical Assistance Program as funded by the Louisiana Division of Administration (DOA) and overseen by the Louisiana Office of Community Development (OCD). On September 4, 2018, DOA terminated the grant agreement and OCD's monitoring responsibility with JEDCO.

The COVID-19 EDA Revolving Loan Fund accounts for a pandemic relief related grant received from the Economic Development Administration.

The COVID-19 SEA Revolving Loan Fund accounts for COVID-19 pandemic recovery grant for applicants in the commercial fishing industry in Jefferson Parish for equipment improvements funded by a Community Development Block Grant received from the Jefferson Parish Office of Community Development.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation – Governmental Funds (continued)

The CARES EDA Revolving Loan Fund accounts for EDA funding of \$1,500,000 to operate a revolving loan fund.

The State Small Business Credit Initiative (SSBCI) Fund accounts for micro loans less than \$50,000 provided to businesses operating in Jefferson Parish. This fund is supported 50% by federal funds from the U.S. Department of the Treasury and 50% by funds from JEDCO.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of general long-term debt principal and interest. All debt repayment transactions of JEDCO flow through this fund. The JEDCO Debt Service Fund accounts for the proceeds from the issuance and subsequent debt service of the 2015 Revenue Bonds.

Basis of Presentation – Fiduciary Fund

Fiduciary funds are used to report assets held in a trustee capacity for others and therefore are not available to support JEDCO. The reporting focus is on net position and changes in net position which are reported using accounting principles similar to proprietary funds. The fiduciary fund reports activities on the accrual basis of accounting. JEDCO has one fiduciary fund, a custodial fund. The fund accounts for an escrow agreement entered into between JEDCO and OMC West JV, L.L.C. Because by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of JEDCO, these funds are not incorporated into the government-wide statements.

Basis of Presentation – Major Funds

GASB Statement No.34, *Basic Financial Statements—and Management’s Discussion and Analysis—For State and Local Governments* sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements section. JEDCO reports the General Fund, all Special Revenue Funds, and the Debt Service Fund as major funds. JEDCO electively includes as major funds those funds which either had debt outstanding or a specific community focus.

Basis of Accounting – Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of JEDCO consist principally of charges for services, occupational licenses, and investment income. Non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred. Revenue from occupational licenses is considered measurable and available when received and is recorded as revenue at that time.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting – Modified Accrual

The modified accrual basis of accounting is used by all governmental fund types. 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 collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. JEDCO considers revenues to be available if they are collected within sixty days of the end of the fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Other Financing Sources (Uses)

Other financing sources (uses) consist of transfers between funds that are not expected to be repaid. These other financing sources (uses) are recognized at the time the underlying events occur. When both restricted and unrestricted resources are available for use, it is JEDCO’s policy to use restricted resources first, and then unrestricted resources as needed.

Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year. The level of budgetary control is at the fund level and expenditures may not exceed budgeted appropriations. Appropriations which are not expended lapse at year-end. A budget is adopted for the General Fund, the Jefferson Edge Fund, the EDA Revolving Loan Fund, the BRGL/LRCF Revolving Loan Fund, the ILTAP Revolving Loan Fund, the COVID-19 EDA Revolving Loan Fund, the COVID-19 SEA Revolving loan Fund, the CARES EDA Fund, and the SSBCI Fund. A budget is also adopted for the discretely presented component unit, JEDCO Development Corporation.

Operating transfers are not included for budget purposes. The adopted budget of expenditures operates as an appropriation for that year. Any unexpended balance of the amount appropriated reverts to the fund balance and becomes available for future appropriation. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as an assignment of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits and certificates of deposit with an original maturity of 90 days or less. Louisiana State statutes permit JEDCO to invest in direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instruments, direct security repurchase agreements of any federal book entry only securities, and certificates of deposit of state banks organized under the State of Louisiana, and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which have underlying investments limited to securities of the U.S. government or its agencies, and the Louisiana Asset Management Pool (LAMP). Investments for JEDCO are reported at fair value. LAMP, which is an external investment pool administered by a non-profit corporation organized under State of Louisiana law, is reported at net asset value of the pool shares, which is consistent with fair value.

Receivables

Receivables are carried at a net amount less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying uncollectible accounts applied to the outstanding receivables. JEDCO does not charge interest on receivables. Receivables are written off as bad debt expenses when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received. JEDCO expects receivables at December 31, 2023, to be fully collectible; therefore, no allowance for doubtful accounts was recorded at December 31, 2023.

Notes Receivable

Notes receivable are recorded in the financial statements and are reflected net of any allowance for doubtful accounts. An allowance for estimated uncollectible receivables is established when collectability of a loan or a specific account becomes doubtful. As of December 31, 2023, management has established an allowance of \$2,442,418, \$208,837, and \$243,917 for estimated uncollectible notes receivable related to loans in the BRGL/LRCF Revolving Loan Fund, ILTAP Revolving Loan Fund, and EDA Revolving Loan Fund, respectively. Included in bad debt expense during the year ended December 31, 2023, is \$243,917 in the EDA Revolving Loan Fund and \$575,304 in the BRGL/LRCF Fund.

Capital Assets and Depreciation

For the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are recorded at cost in the statement of net position. Donated assets are valued at their estimated fair market value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets and Depreciation (continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building	40 Years
Infrastructure	25 – 40 Years
Building and Building Improvements	5 – 10 Years
Office Furniture	5 – 7 Years

For fund financial statements, capital acquisitions are reflected as capital outlay expenditures in the governmental funds at the time purchased. GASB authoritative guidance requires JEDCO to report and depreciate new infrastructure assets. Infrastructure assets for JEDCO consist of the roads and sewer work performed for the Churchill Technology and Business Park.

Collection Items

In accordance with GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, works of art owned by JEDCO are not capitalized since the items (1) Are held for public exhibition rather than financial gain, (2) are protected, kept unencumbered, cared for, and maintained, and (3) are subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Compensated Absences

In the governmental funds, only that portion which is expected to be liquidated from expendable available financial resources is accrued at year-end. The remainder of the accrued liability which is applicable to governmental fund types is reported in the government-wide financial statements.

The amount of accumulated annual leave as of December 31, 2023, applicable to governmental fund types was \$92,664 none of which met the condition for accrual in the governmental fund types; hence, the entire amount is reported in the government-wide financial statements. In accordance with GASB authoritative guidance, no liability is recorded for accumulated sick pay benefits because such benefits can be used only for sick leave.

Deferred Inflow of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. As of December 31, 2023, JEDCO recognized had no deferred inflows of resources.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Fund Balance

JEDCO has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance – amounts limited to restrictions by creditors, grantors, laws, and regulations of other governments.

Committed Fund Balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority by an ordinance or resolution approved by the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance – amount reserved for intended use by those purchase orders or designation of encumbrances which are not already included in restricted or committed fund balances. JEDCO's intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as JEDCO and its management.

Unassigned Fund Balance – the remaining amounts available for appropriation within the General Fund which have not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if the non-spendable amount exceeds amounts restricted, committed, or assigned for those specific purposes.

JEDCO considers restricted amounts to be spent first when both restricted and unrestricted fund balance are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, JEDCO would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is displayed as three components:

Net investment in capital assets represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Also included in the calculation are related bond premiums and discounts and the deferred outflows or inflows of resources on refunding of bonds.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Net Position

Restricted net position consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position represents the net position available for future operations.

Income Taxes

Both FORJ and JEDCO Development Corporation are exempt from federal income tax as organizations described in Section 501 (c)(3). Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. FORJ and JEDCO Development Corporation believe that they have appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Pronouncements - Adopted

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022. The implementation of this standard had no impact on JEDCO's financial statements and notes to the financial statements.

2. Legal Compliance - Budget

Under state law, JEDCO is required to complete and submit a budget for its General and Special Revenue Funds to the governing authority of Jefferson Parish no later than fifteen days prior to the beginning of the fiscal year to which the budget applies. The total proposed expenditure may not exceed the total of estimated funds available at the fund level. Public participation in the budgetary process prior to adoption of the budget is required if the total proposed expenditures are \$500,000 or more. For the year ended December 31, 2023, JEDCO complied with these budget requirements.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Cash, Cash Equivalents, and Investments

JEDCO's cash, cash equivalents, and investments consist primarily of demand deposits and investments with LAMP.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that JEDCO's cash and certificates of deposit be covered by federal depository insurance or collateral. As of December 31, 2023, the carrying amount of JEDCO's deposits was \$4,444,582 as reported in the government-wide statement of net position.

As of December 31, 2023, the bank balance of deposits was \$4,540,807 of which \$250,000 was covered by federal deposit insurance and the remaining bank balance was covered by collateral with a fair market value totaling \$5,325,582. Collateral for JEDCO's deposits is held by the financial institutions trust department and are pledged in JEDCO's name for deposits in the financial institution.

At December 31, 2023, JEDCO has \$3,934,485 of money market funds recorded in the custodial fund on deposit in a trust account. These funds are collateralized and not subject to custodial credit risk.

Investments

State statutes authorize the government to invest in obligations of the U.S. Treasury, agencies, and instruments; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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 in accordance with Louisiana Revised Statute (L.R.S.) 33:2955.

GASB Statement No. 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Cash, Cash Equivalents, and Investments (continued)

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit Risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk. Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value based on quoted market rates. 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.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

4. Notes Receivable

Revolving Loan Funds

JEDCO has notes receivable recorded in the EDA Revolving Loan Fund which are made to various businesses under the terms of the capitalization grant received from the Economic Development Administration. These notes receivable totaled \$557,936 net of allowance for doubtful accounts of \$243,917 as of December 31, 2023. The notes have various maturity dates between 2024 and 2032 and interest rates between 3.75% and 7.50%.

JEDCO has notes receivable recorded in the BRGL/LRCF Revolving Loan Fund which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Economic Development. These notes receivable totaled \$4,383,056, net of allowance for doubtful accounts of \$2,442,418 as of December 31, 2023. The notes have various maturity dates between 2024 and 2042 and interest rates between 1.00% and 7.75%.

JEDCO has notes receivable recorded in the ILTAP Revolving Loan Fund which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Community Development. These notes receivable totaled \$2,103,988, net of allowance for doubtful accounts of \$208,837 as of December 31, 2023. The notes have various maturity dates between 2024 and 2039 and interest rates between 1.00% and 7.75%.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. Notes Receivable (continued)

JEDCO has notes receivable recorded in the COVID-19 EDA Revolving Loan Fund which are made to various businesses under the terms of the capitalization grant received from the Economic Development Administration. The notes receivable totaled \$1,087,404 net of allowance for doubtful accounts of \$0 as of December 31, 2023. The notes have various maturity dates between 2026 and 2042 and interest rates between 3.75% and 4.00%.

JEDCO has notes receivable recorded in the COVID-19 SEA Revolving Loan Fund which are made to various businesses under the terms of the capitalization grant received from the State of Louisiana Office of Community Development. The notes receivable totaled \$855,304 net of allowance for doubtful accounts of \$0 as of December 31, 2023. The notes have various maturity dates between 2027 and 2030 and interest rates between 4.00% and 6.50%.

JEDCO has notes receivable recorded in the CARES EDA Fund which are made to various businesses under the terms of the grant received from the \$1,500,000 grant from the Economic Development Administration. The notes receivable totaled \$935,282 net of allowance for doubtful accounts of \$0 as of December 31, 2023. The notes have various maturity dates between 2025 and 2028 and interest rates between 5.50% and 8.00%.

JEDCO has notes receivable recorded in the SSBCI Fund which are made to various businesses under the terms of the grant received from the U.S. Department of Treasury. The notes receivable totaled \$628,211 net of allowance for doubtful accounts of \$0 as of December 31, 2023. The notes have various maturity dates between 2028 and 2030 and interest rates between 5.50% and 8.00%.

5. Capital Assets

Capital asset balances and current year activity for the fiscal year ended December 31, 2023, was as follows:

	Balance January 2023	Increases	Decreases	Balance December 2023
Land and improvements	\$ 8,713,804	\$ -	\$ (420,000)	\$ 8,293,804
Infrastructure	6,008,525	-	-	6,008,525
JEDCO Building	6,196,354	-	-	6,196,354
Building improvements	195,325	-	(26,322)	169,003
Conference Center building	2,846,725	-	-	2,846,725
Furniture and Equipment	164,310	-	(4,629)	159,681
Office furniture and equipment	418,609	9,559	(145,353)	283,015
Total	<u>24,543,852</u>	<u>9,559</u>	<u>(596,304)</u>	<u>23,987,107</u>
Less: accumulated depreciation	<u>(5,443,226)</u>	<u>(444,490)</u>	<u>153,282</u>	<u>(5,734,434)</u>
Total capital assets, net	<u>\$ 19,100,626</u>	<u>\$ (434,931)</u>	<u>\$ (443,022)</u>	<u>\$ 18,222,673</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Capital Assets (continued)

Depreciation expense of \$444,490, for the year ended December 31, 2023, is presented on the government-wide statement of activities, and charged to governmental functions as follows:

<u>Governmental Activities</u>	
Administrative	\$ 25,554
Building expense	172,408
Conference center	73,356
Tech park	<u>173,172</u>
Total depreciation expense	<u>\$ 444,490</u>

6. Long-Term Debt

On December 15, 2015, JEDCO issued \$2,420,000 of revenue bonds to fund the purchase of the administrative building and incubator facility from FORJ, a discretely presented component unit of JEDCO. These funds were deposited into the JEDCO Debt Service Fund. The bonds are secured and payable from all revenues generated by JEDCO. The bonds bear interest at the rate of 4.15% per annum and mature on May 1, 2030. Interest payments are to be paid bi-annually on May 1st and November 1st each year.

The following is a summary of the changes in long-term debt for the year ended December 31, 2023:

<u>Type of Debt</u>	Balance January 1, 2023	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2023	Due Within One Year
	\$ 1,435,000			\$ -	\$ (155,000)
Revenue Bonds	\$ 1,435,000	\$ -	\$ (155,000)	\$ 1,280,000	\$ 161,000

Principal and interest payments due on long-term debt over the next five years and thereafter are as follows:

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 161,000	\$ 49,779	\$ 210,779
2025	168,000	42,952	210,952
2026	175,000	35,835	210,835
2027	182,000	28,427	210,427
2028	190,000	20,708	210,708
2029 - 2030	<u>404,000</u>	<u>16,933</u>	<u>420,933</u>
Total	<u>\$ 1,280,000</u>	<u>\$ 194,634</u>	<u>\$ 1,474,634</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. Compensated Absences Payable

Changes in compensated absences payable for the year ended December 31, 2023, were as follows:

	Balance January 1, 2023	Additions	Payments and Adjustments	Balance December 31, 2023
Compensated Absences	\$ 101,287	\$ 96,784	\$ (105,407)	\$ 92,664

The entire balance of compensated absences payable is considered a long-term liability by JEDCO.

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs

Durr Heavy Construction

In 2008, the State of Louisiana authorized JEDCO to issue up to \$4.5 million in Variable Rate Taxable Revenue Bonds. The bonds were issued in 2009 in the amount of \$2,866,500 (Durr Heavy Construction Project, L.L.C. Project, Series 2009) for the purpose of financing the acquisition and construction of an office building on behalf of a local company located in Jefferson Parish. The facilities are to be leased by JEDCO to the company pursuant to a lease agreement between JEDCO and the company. JEDCO's obligations under the Series 2009 Bonds are limited. These special obligations are payable solely from the revenues and other amounts derived from the leasing of the facility by JEDCO to the company. The bonds do not constitute debt or pledge of faith and credit of JEDCO and, accordingly, have not been reported in the accompanying financial statements. No other assets are available for payment of the principal or interest on the bonds. The bonds shall be subject to optional redemption prior to maturity, in whole, or in part, and if in part then in inverse order of maturity on an interest payment date, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the redemption date, and without any redemption premium. The bonds are subject to mandatory redemption in full at the option of the bondholder on the tenth and fifteenth anniversary of the delivery date and ninety days after any date on which the interest rate on the bonds equals or exceeds 14% per annum. Under the agreement with JEDCO, the company has agreed to the payment of rent in lieu of ad valorem taxes (PILOT Rent) from the effective date of the agreement through and including the 2018 tax year in the amount of \$-0-, except in the event that certain employment target amounts are not met. Beginning in the 2019 tax year and for the remaining term of the PILOT lease, the company must remit to the tax collector a payment equal to the amount of property tax that the company would be subject, if the project were owned by the company and not exempt.

For the 2023 tax year, the company owed a Base PILOT rent payment to the Jefferson Parish Sheriff's Office, as tax collector of Jefferson Parish, totaling \$42,324, and the amount of ad valorem taxes that would have been recognized by Jefferson Parish on the assessed value for 2023 totaled \$42,324. Additionally, as the business resides in the City of Harahan, taxes were due. The company made a PILOT Rent payment to the City of Harahan totaling \$11,296. Ad valorem taxes that would have been recognized by the City of Harahan for 2023 totaled \$11,296. Therefore, the total 2023 ad valorem property taxes abated by both Jefferson Parish and the City of Harahan equaled \$0.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

Kenner Discovery Health Sciences Academy

In 2018, JEDCO issued \$43,895,000 million in tax-exempt revenue bonds (Kenner Discovery Health Sciences Academy Project, Series 2018A) and \$915,000 in taxable revenue bonds (Kenner Discovery Health Sciences Academy Project, Series 2018B). The tax-exempt and taxable bonds (together, the Series 2018 Bonds), the proceeds of which JEDCO will loan to Friends of Discovery Health Sciences Foundation, Inc. (the Borrower), were issued for the purposes of (a) financing the acquisition, construction, improvement and equipping of the first phase of the Project (the School Facility); (b) funding deposits to a subaccount of the Debt Service Reserve Fund, (c) funding capitalized interest during construction; (d) refinancing of certain outstanding indebtedness of the Borrower and Discovery Health Sciences Foundation, Inc., and (e) paying all or a portion of the costs of issuance of the Series 2018 Bonds.

The School Facility is to be leased by JEDCO to the Borrower pursuant to a lease agreement between JEDCO and the Borrower.

JEDCO's obligations under the Series 2018 Bonds are limited. These special obligations are payable solely from the revenues and other amounts derived from the leasing of the facility by JEDCO to the company. The bonds do not constitute debt or pledge of faith and credit of JEDCO and, accordingly, have not been reported in the accompanying financial statements. No other assets are available for payment of the principal or interest on the bonds.

The Series 2018A bonds shall be subject to optional redemption prior to maturity in whole or in part on any date commencing June 15, 2028, of the maturity selected by the Borrower, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The Series 2018B bonds are not subject to optional redemption.

CF Industries East Point, LLC (formerly Dyno Nobel)

On December 1, 2014, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with a private company to issue taxable revenue bonds of up to \$850,000,000. The bonds are for the purpose of financing the acquisition, construction, and equipping of the Dyno Nobel Louisiana Ammonia, LLC Project (the Project), an ammonia manufacturing facility, on behalf of a local company located in Jefferson Parish. As of December 31, 2023, no bonds have been issued for the Project.

During 2016, construction of the Project was completed, and the company conveyed all the Project's assets (buildings, machinery, equipment, and personal property associated with the Project) to JEDCO. As a result of this conveyance, the Project's assets are not subject to ad valorem taxes. However, the Lease Agreement providing for the payment of rent in lieu of ad valorem taxes (PILOT Rent) became effective.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

CF Industries East Point, LLC (formerly Dyno Nobel) (continued)

Unless extended, the Lease Agreement expires on December 31, 2035. For the effective term of the Lease Agreement and for the duration for which the Project's assets are owned by JEDCO, the Project shall be exempt from ad valorem taxes. In return, the company agrees to make annual PILOT Rent payments commencing on or before December 31, 2016, and continuing through December 31, 2035. PILOT Rent payments are required to be paid to JPSO as tax collector for Jefferson Parish.

The Lease Agreement provides that the minimum PILOT Rent payments as presented in the agreement are to be increased proportionally by an adjustment factor calculated based on the amount by which the Project's aggregate investment amount exceeds \$600,000,000. With the project fully completed and placed in service, in December 2018 JEDCO and Dyno Nobel agreed to a final Aggregate Investment Amount of the project of \$809,605,410, which corresponds to an adjustment factor of 1.35. Therefore, the amount paid to JPSO for the 2018, 2019, 2020, 2021 and 2022 tax years totaled \$1,080,000 each year and in 2023 totaled \$1,147,500. This adjustment factor is to be applied to all remaining PILOT Rent payments, resulting in an annual PILOT Rent schedule in accordance with the table below. These final figures have been memorialized in a Memorandum of Completion, which was executed by both parties on January 31, 2019.

Future minimum PILOT Rent payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 1,485,000
2025	1,485,000
2026	1,485,000
2027	1,485,000
2028	1,620,000
2029	1,620,000
2030	1,620,000
2031	1,620,000
2032	1,620,000
2033	1,620,000
2034	1,620,000
2035	1,620,000
Total	<u>\$ 18,900,000</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

CF Industries East Point, LLC (formerly Dyno Nobel) (continued)

The future minimum PILOT Rent payments for all year's total \$20,047,500.

The Lease Agreement also provides for Supplemental PILOT Rent for each year in which the Project's full-time payroll does not meet the minimum amounts established within the Lease Agreement. No amount of Supplemental PILOT Rent was required for 2023.

The company is also required to pay an annual administrative rental fee of \$113,600 for the duration of the Lease Agreement. The amount of administrative rental fee revenue recognized by JEDCO during 2023, totaled \$113,600 and is included in charges for services revenue.

With the 2023 PILOT rent of \$1,147,500 and the total ad valorem tax value of the PILOT property as confirmed by the Assessor's Office of \$10,634,917, the total amount of property taxes abated by Jefferson Parish in 2023 equaled \$9,487,417.

On December 1, 2023, CF Industries East Point, LLC ("CF Industries") acquired the Dyno Nobel anhydrous ammonia facility in Waggaman, Jefferson Parish, Louisiana. Effective December 1, 2023, Dyno Nobel and CF Industries East Point, LLC ("CF Industries") entered into an Assignment and Assumption Agreement, pursuant to which Dyno Nobel assigned all of its estate, right, title, and interest in and to the Lease Agreement to CF Industries and CF Industries has assumed all of Dyno Nobel's obligations under and estate, right, title and interest in and to the Lease subject to terms and conditions set forth in the agreement. The assignment of the Lease Agreement is authorized via Article VIII Assignment; Subleasing; Selling; Mortgaging; Redemption of the Lease Agreement.

OMC West JV, LLC

On December 1, 2018, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with OMC West JV, L.L.C. in an aggregate principal amount of up to \$42,100,000 in taxable or tax-exempt Revenue Bonds to finance all or a portion of a 130,000 square foot medical facility building located at 2614 Jefferson Highway. As of December 31, 2023, no bonds have been issued for the Project.

The purpose of the Lease Agreement is to provide for the reimbursement to the company of up to \$6,400,000 to offset the costs of certain public infrastructure improvements, including street, sidewalk, beautification and utility infrastructure improvements, which are to be completed by the company at or around its newly-constructed medical facility building at 2614 Jefferson Highway within 36 months of the effective date of the Lease Agreement (the Expenditure Period). To effectuate the reimbursement, in 2018 the company conveyed the medical facility building at 2614 Jefferson Highway to JEDCO. As a result of this conveyance, this asset is not subject to ad valorem taxes. The building was assessed by the Jefferson Parish Assessor's Office for the 2023 tax year. The assessed value as of December 31, 2023, was \$6,369,830. The amount of ad valorem taxes that would have been recognized in 2023 in the absence of the lease agreement amounted to \$837,951.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

OMC West JV, LLC. (continued)

The Lease Agreement stipulates an annual administrative rent of \$20,195 beginning February 1, 2020, through and including the first February after the Expenditure Period. The Lease Agreement also stipulates an annual Base PILOT Rent in lieu of taxes in the amount of \$1 to be made payable to JEDCO beginning December 31, 2018, and continuing until December 31, 2027. JEDCO did not recognize the \$1 Base PILOT Rent for the 2018 tax year by December 31, 2018. However, the company remitted the combined base PILOT rent for all years of the term to JEDCO in 2019 for a total of \$10.

On May 5, 2021, JEDCO and OMC West JV, L.L.C. entered into a Memorandum of Understanding Regarding Expenditure Period Under PILOT Lease ("MOU") in response to a request from OMC West JV, L.L.C. to extend the Expenditure Period for two years to allow for delays in advancement of the infrastructure projects due to the effects of COVID-19. The MOU extended the term of the Expenditure Period through December 31, 2023. As of the date of the request, OMC West JV, L.L.C. had made approximately \$229,435 in reimbursable expenditures.

In December 2023, by authorization of JEDCO's Board of Commissioners, JEDCO and OMC West JV, L.L.C. entered into the First Amendment to Lease Agreement and Agreement to Issue Bonds ("First Amendment"). The agreement, which was effective December 1, 2023, extended the Expenditure Period through December 20, 2027, and allowed a forbearance in the payment of any increased Annual PILOT Rent to allow for delays in the ability of OMC JV West, L.L.C. to make infrastructure improvements caused by the continuing effects of COVID-19, changes in the nature and location of the infrastructure improvements, and other factors. Simultaneously, JEDCO, OMC West JV, L.L.C. and First Horizon Bank as Escrow Trustee entered into an Escrow Deposit Agreement to implement the amendments made in the First Amendment and allow OMC West JV, L.L.C. the opportunity to retain the ability to realize the reimbursement of infrastructure costs in an amount up to \$6,400,000 through December 20, 2027. Pursuant to the amendment agreement OMC West JV, L.L.C. deposited \$3,934,485 in a trust account to be held through the term of the amended agreement.

US Foods, Inc.

On January 1, 2019, JEDCO entered into a Lease Agreement and Agreement to Issue up to \$51,900,000 in Taxable Revenue Bonds with a favorable payment in lieu of tax arrangement with a private company, US Foods, Inc. The bonds are for the purpose of the acquisition and construction of a new food warehouse and distribution facility to be located at 7251 River Road in Marrero, Louisiana, including related equipment and information technology costs (US Foods, Inc., Project). As of December 31, 2023, no bonds have been issued for the Project.

In January of 2019, the company conveyed three parcels of land upon which the Project will be built, along with all improvements to JEDCO. As a result of this conveyance, these assets are not subject to ad valorem taxes. However, in accordance with the Lease Agreement, the company must remit Annual PILOT Rent in the amount of \$79,064 each year of the Lease Agreement's seven-year term (commencing no later than December 31, 2019, and continuing through December 31, 2025) or until the cumulative savings realized by the company totals \$2,300,000. PILOT Rent payments are required to be paid to the Jefferson Parish Sheriff's Office as tax collector for Jefferson Parish.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

US Foods, Inc. (continued)

Based on calculations performed by the Jefferson Parish Assessor's Office, the assessed value of the Project was \$795,160 for 2023, and the amount of ad valorem taxes that would have been recognized on this assessed value for 2023 totaled \$109,040. Therefore, the total 2023 property tax savings and, therefore, the total amount of Jefferson Parish property tax abated amounted to \$29,976.

Lease Agreement also provides for Targeted Employment Clawback Rent for each year in which either the Project's full-time employment or full-time payroll does not meet the minimum amounts established within the Lease Agreement, with the first report due to JEDCO on February 1, 2021. The Targeted Employment Claw Back Rent is remitted to JEDCO and used by JEDCO solely for economic development and to support programs aimed at developing employment opportunities in the Parish. On October 30, 2020, JEDCO received a request from US Foods, Inc. to amend certain terms of the PILOT Lease on the basis that the prolonged elevated Mississippi River height in 2018 and 2019 and the COVID-19 health pandemic of 2020 resulted in significant construction delays and the company's inability to meet the job creation goal set by the PILOT Lease, including both the targeted number of new full-time jobs annually and the lease agreement's 35 hour/week requirement for full-time employees. As a result of the company's request, in December of 2020 JEDCO's Board of Commissioners approved an amendment to the PILOT Lease changing the definition of Actual Employment, amending the annual targeted jobs and payrolls figures, and extending the term of the agreement by one year to December 31, 2026. The amendment was made to accommodate for the two-year delay in progress toward the completion of the Project and to allow the company to realize the significant tax savings that the Lease was designed to provide.

The Company is also required to pay an annual administrative rental fee of \$32,680 beginning in 2020 through 2022, and \$24,510 in 2023 through 2026. The amount of annual administrative rent received by JEDCO in 2023 totaled \$24,510 and is included in charges for services revenue.

Avondale Marine LLC

On July 1, 2019, JEDCO entered into a Lease Agreement and Agreement to Issue up to \$150,000,000 in Taxable and/or Tax-Exempt Revenue Bonds with a favorable payment in lieu of tax arrangement with a private company, Avondale Marine LLC. The bonds are for the purpose of renovating and rehabilitating a 254-acre site on the west bank of the Mississippi River at 5100 River Road in Avondale, Louisiana, being the former site of Avondale Shipyards, and putting that site back into commerce as a mixed-use industrial and commercial property that generates employment and economic activity in Jefferson Parish. As of December 31, 2023, no bonds have been issued for the Project.

In July of 2019, the company conveyed the immovable property on the site consisting of existing buildings and permanent cranes to JEDCO. As a result of this conveyance, these assets are not subject to ad valorem taxes. However, in accordance with the Lease Agreement, the company must remit a Base PILOT Payment to the Jefferson Parish Sheriff's Office, as tax collector of Jefferson Parish, each year beginning in 2019 and continuing each year of the 20-year Lease term with a final payment due in 2038, in the amount specified in the below table:

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

Avondale Marine LLC (continued)

<u>Year Ending December 31,</u>	<u>Base PILOT Payments</u>
2024	\$ 125,000
2025	150,000
2026	175,000
2027	200,000
2028	225,000
2029	250,000
2030	275,000
2031	300,000
2032	325,000
2033	350,000
2034	375,000
2035	400,000
2036	425,000
2037	450,000
2038	475,000
Total	<u>\$ 4,500,000</u>

The original conveyance associated with the PILOT Lease was executed after the Assessor's tax rolls were closed for 2019 and the company received a tax bill in December 2019 on the full amount owed on all buildings on the site for the entire 2019 year. The Jefferson Parish Assessor's Office then submitted a change order to the Louisiana Tax Commission to reflect the change in ownership of the buildings that were conveyed to JEDCO under the PILOT Lease. As a result, the company was refunded up to the prorated amount owed on the buildings that were conveyed to JEDCO. The prorated amount reflects the assessment of the buildings for the duration of the 2019 year that the Company owned the buildings (i.e., from January 1, 2019, through July 31, 2019) - that amount equals \$288,946. Since the Company was required to pay prorated property tax above the amount of the 2019 PILOT Rent of \$100,000, it requested a waiver of the 2019 PILOT Rent requirement to which the JEDCO Executive Committee approved on January 30, 2020.

Based on calculations performed by the Jefferson Parish Assessor's Office, the 2023 assessed value of the buildings and the cranes conveyed to JEDCO totaled \$3,430,390. The amount of ad valorem taxes that would have been recognized on this assessed value totaled \$470,409. The amount of PILOT Rent paid by the company to JPSO in 2023 totaled \$100,000. Therefore, the total 2023 Jefferson Parish taxes abated amounted to \$370,409.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

Avondale Marine LLC (continued)

The Lease Agreement also provides for targeted employment claw-back rent for each year in which the Project's full-time employment does not meet the annual targeted amount as stipulated in the agreement. The Targeted Employment Claw-back Rent is remitted to JEDCO and used by JEDCO solely for economic development and to support programs aimed at developing employment opportunities in the Parish. No amount of targeted employment claw-back rent was required for 2023. The company is also required to pay an annual administrative rental fee of \$58,750 to JEDCO each year beginning in 2020 through the duration of the Lease, which JEDCO collected in 2023 and is included in charges for services revenue.

Laitram, L.L.C.

On August 1, 2019, JEDCO entered into a Lease Agreement and Agreement to Issue up to \$250,000,000 in Taxable and/or Tax-Exempt Revenue Bonds with a favorable payment in lieu of tax arrangement with a private company, Laitram, L.L.C. The bonds are for the purpose of acquiring and installing capital expenditures and improvements made on or after January 1, 2018, and on or before December 31, 2023, at the company's manufacturing facilities in Jefferson Parish, including related equipment and IT costs (Laitram, L.L.C. Project).

In accordance with the Lease Agreement, the total amount of capital expenditures and improvements allowed into the Lease Agreement equals \$250,000,000 and the company is allowed to include the expenditures into the Lease Agreement through year 2023. In August 2019, the company conveyed to JEDCO \$20,598,772 in improvements it made to its Jefferson Parish facilities in 2018. In December 2019 through the First Supplemental Act of Conveyance, as amended through a Ratification of an Amendment to First Supplemental Act of Conveyance in January 2020, the company conveyed \$37,728,252 in assets to JEDCO that it installed and placed in service from January 1, 2019, through December 31, 2019. In December 2020 through the Second Supplemental Act of Conveyance, as amended through a Ratification of an Amendment to Second Supplemental Act of Conveyance in January 2021, the company conveyed \$20,024,149 in assets to JEDCO that it installed and placed in service from January 1, 2020, through December 31, 2020. In November 2021 through the Third Supplemental Act of Conveyance, as amended through a Ratification of an Amendment to Third Supplemental Act of Conveyance in January 2022, the company conveyed \$29,318,038 in assets to JEDCO that it installed and placed in service from January 1, 2021, through December 31, 2021. In December 2022 through the Fourth Supplemental Act of Conveyance, as amended through a Ratification of an Amendment to Fourth Supplemental Act of Conveyance in January 2023, the company conveyed \$32,990,488 in assets to JEDCO that it installed and placed in service from January 1, 2022, through December 31, 2022. In December 2023 through the Fifth Supplemental Act of Conveyance, as amended through a Ratification of an Amendment to Fifth Supplemental Act of Conveyance in January 2024, the company conveyed \$12,378,083 in assets to JEDCO that it installed and placed in service from January 1, 2023, through December 31, 2023.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (continued)

Laitram, L.L C (continued)

As a result of these conveyances to JEDCO, these assets are not subject to ad valorem taxes. However, in accordance with the Lease Agreement, the company must remit annually commencing by December 31, 2019, and continuing each year through December 31, 2033, a Base PILOT Payment to the JPSO, as tax collector of Jefferson Parish, equal to 20% of the ad valorem taxes that would have been paid by the company on the Project for each tax year. Based on calculations performed by the Assessor's Office, the 2023 assessed value of the PILOT property amounted to \$17,196,017, and the total tax value of the assets amounted to \$2,263,597. The amount of PILOT rent paid by the company to the JPSO in 2023 equaled \$452,719. Therefore, the amount of Jefferson Parish property taxes abated in 2023 totaled \$1,810,878.

The Lease Agreement also provides for targeted employment and payroll claw back rent for each year in which the project's full-time employment or full-time payroll does not meet the annual targeted amount as stipulated in the agreement. The targeted employment and payroll claw back rent is remitted to JEDCO and used by JEDCO solely for economic development and to support programs aimed at developing employment opportunities in the Parish. No amount of targeted employment claw back rent was required for 2023.

The company is also required to pay an annual administrative rental fee to JEDCO in an amount calculated using JEDCO's fee policy, which is incorporated as Exhibit D to the Lease Agreement, beginning in 2020 through the duration of the lease. In 2023, JEDCO collected administrative rent in the amount of \$55,412.

9. Interfund Transactions

Interfund transactions consist of interfund receivables/payables and transfers. Interfund receivables/payables as of December 31, 2023, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 46,997	\$ -
Jefferson Edge Fund	-	6,624
EDA Revolving Loan Fund	-	2,080
BRGL/LRCF Revolving Loan Fund	-	9,355
ILTAP Revolving Loan Fund	-	25,573
EDA COVID-19 Fund	-	3,365
Total All Funds	<u>\$ 46,997</u>	<u>\$ 46,997</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

9. Interfund Transactions (continued)

Interfund transfers occurring during the fiscal year ended December 31, 2023, are as follows.

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>
General Fund	\$ -	\$ (211,604)
BRGL/LRCF Revolving Loan Fund	-	(1,000,000)
SSBCI Fund	1,000,000	-
JEDCO Debt Service Fund	211,604	-
Total All Funds	<u>\$ 1,211,604</u>	<u>\$ (1,211,604)</u>

10. Employment Agreement

Effective January 1, 2023, JEDCO renewed its employment agreement with its chief executive officer. The agreement is for thirty-six months and covers, among other matters, compensation, benefits, and termination.

11. Escrow Deposits

JEDCO assists local businesses in obtaining loans from the Small Business Administration. The discretely presented component unit, JEDCO Development Corporation collects an application fee at the beginning of the loan process. These application fees are held in an account until the loan process is completed. All application fees are returned to the applicant even if the loan is not obtained. Escrow deposits totaled \$13,507 as of December 31, 2023.

12. Contributed Services

Twenty-one members of the Board of Commissioners of JEDCO and members of the Board's various advisory committees serve without compensation. The value of these contributed services is not included in JEDCO's financial statements.

13. Pension Plan

JEDCO has elected to opt out of participation in the federal Social Security program. The 6.2% match that JEDCO would have contributed to the Social Security program is placed in a simplified employee pension (SEP) plan for each full-time employee. Eligible employees are required to establish SEP individual retirement accounts to which JEDCO's contributions are made. JEDCO's employees are subject only to Medicare portion of Social Security taxes. The amount contributed by JEDCO is 6.2% of the employee's total compensation. JEDCO's total contribution under this plan for 2023 was \$107,353 based on a covered payroll of \$1,825,784. JEDCO's total current-year payroll for all employees was \$1,825,784.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

13. Pension Plan (continued)

JEDCO also participates in a company/internal retirement plan in which all full-time employees are eligible to participate. Under the terms of the plan, JEDCO contributes 6% of the employee's annual salary. Eligible employees are required to establish retirement accounts to which JEDCO's contributions are made. JEDCO's total contribution under this plan for 2023 was \$103,890 based on covered payroll of \$1,825,784.

14. Intentions to Give

JEDCO has an agreement outstanding with a donor that has loaned pieces of framed artwork to JEDCO. This artwork is on a long-term loan to JEDCO with the intent to donate the artwork to JEDCO in future years. No amount has been recorded in the financial statements relating to this artwork as the agreement represents the donor's intent and is not legally enforceable.

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Intergovernmental				
Share of Jefferson Parish				
occupational licenses	\$ 2,482,089	\$ 2,482,089	\$ 2,482,089	\$ -
CEA revenue	115,000	221,926	221,926	-
Federal revenue	177,000	284,766	303,725	18,959
Charges for service	738,718	806,041	820,414	14,373
Conference Center revenue	26,000	6,500	5,461	(1,039)
Interest and investment earnings	20,000	20,000	192,962	172,962
Miscellaneous	106,150	93,675	86,960	(6,715)
State of Louisiana capital outlay revenue	100,000	1,080,109	1,727,967	647,858
Total revenues	<u>3,764,957</u>	<u>4,995,106</u>	<u>5,841,504</u>	<u>846,398</u>
<u>EXPENDITURES</u>				
Administrative	1,841,100	1,920,053	1,900,132	19,921
Economic development services	442,250	378,893	373,098	5,795
Marketing	322,550	309,219	290,053	19,166
Industry recruitment	147,000	132,399	127,658	4,741
Financing	476,700	486,400	476,780	9,620
Tech park	81,500	62,175	56,133	6,042
Strategic initiatives	427,100	605,025	540,833	64,192
Conference center	64,500	45,000	38,098	6,902
Avondale Gate Complex	100,000	1,080,109	1,727,967	(647,858)
Capital outlay	-	9,559	9,559	-
Total expenditures	<u>3,902,700</u>	<u>5,028,832</u>	<u>5,540,311</u>	<u>(511,479)</u>
Excess (deficiency) of revenues over (under) expenditures	(137,743)	(33,726)	301,193	334,919
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(211,644)	(211,644)	(211,604)	40
Total other financing sources (uses)	<u>(211,644)</u>	<u>(211,644)</u>	<u>(211,604)</u>	<u>40</u>
<u>NET CHANGE IN FUND BALANCE</u>	(349,387)	(245,370)	89,589	334,959
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>4,225,574</u>	<u>4,225,574</u>	<u>4,225,574</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 3,876,187</u>	<u>\$ 3,980,204</u>	<u>\$ 4,315,163</u>	<u>\$ 334,959</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - JEFFERSON EDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Interest and investment earnings	\$ 8.000	\$ 29.500	\$ 29.046	\$ (454)
Donations	250.000	295.000	286.500	(8.500)
Miscellaneous	-	-	-	-
Total revenues	<u>258,000</u>	<u>324,500</u>	<u>315,546</u>	<u>(8,954)</u>
<u>EXPENDITURES</u>				
Administrative	31.500	57.408	40.240	17.168
Economic development services	25.000	38.750	38.750	
Marketing	50.000	50.000	42.513	7.487
Tech park	198.000	180.878	176.180	4.698
Total expenditures	<u>304,500</u>	<u>327,036</u>	<u>297,683</u>	<u>29,353</u>
Excess (deficiency) of revenues over (under) expenditures	(46.500)	(2.536)	17.863	20.399
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	(46.500)	(2.536)	17.863	20.399
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>718.695</u>	<u>718.695</u>	<u>718.695</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 672.195</u>	<u>\$ 716.159</u>	<u>\$ 736.558</u>	<u>\$ 20.399</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - EDA REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Interest and investment earnings	\$ 53,500	\$ 39,100	\$ 38,244	\$ (856)
Total revenues	<u>53,500</u>	<u>39,100</u>	<u>38,244</u>	<u>(856)</u>
<u>EXPENDITURES</u>				
Administrative	50,000	37,000	36,073	927
Bad debt expense	-	-	243,917	(243,917)
Total expenditures	<u>50,000</u>	<u>37,000</u>	<u>279,990</u>	<u>(242,990)</u>
Excess (deficiency) of revenues over (under) expenditures	3,500	2,100	(241,746)	(243,846)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	3,500	2,100	(241,746)	(243,846)
<u>FUND BALANCE BEGINNING OF YEAR</u>	<u>1,135,028</u>	<u>1,135,028</u>	<u>1,135,028</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 1,138,528</u>	<u>\$ 1,137,128</u>	<u>\$ 893,282</u>	<u>\$ (243,846)</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BRGL/LRCF REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Interest and investment earnings	\$ 225,200	\$ 253,000	\$ 251,041	\$ (1,959)
Total revenues	<u>225,200</u>	<u>253,000</u>	<u>251,041</u>	<u>(1,959)</u>
<u>EXPENDITURES</u>				
Administrative	115,000	107,000	107,771	(771)
Bad debt expense	-	-	575,304	(575,304)
Total expenditures	<u>115,000</u>	<u>107,000</u>	<u>683,075</u>	<u>(576,075)</u>
Excess (deficiency) of revenues over (under) expenditures	110,200	146,000	(432,034)	(578,034)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	110,200	(854,000)	(1,432,034)	(578,034)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	6,985,163	6,985,163	6,985,163	-
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 7,095,363</u>	<u>\$ 6,131,163</u>	<u>\$ 5,553,129</u>	<u>\$ (578,034)</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ILTAP REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Interest and investment earnings	\$ 74,500	\$ 81,700	\$ 81,686	\$ (14)
Miscellaneous	-	-	26,960	26,960
Total revenues	<u>74,500</u>	<u>81,700</u>	<u>108,646</u>	<u>26,946</u>
<u>EXPENDITURES</u>				
Administrative	80,000	98,500	99,537	(1,037)
Total expenditures	<u>80,000</u>	<u>98,500</u>	<u>99,537</u>	<u>(1,037)</u>
Excess/(deficiency) of revenues over (under) expenditures	(5,500)	(16,800)	9,109	25,909
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	(5,500)	(16,800)	9,109	25,909
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>2,275,756</u>	<u>2,275,756</u>	<u>2,275,756</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 2,270,256</u>	<u>\$ 2,258,956</u>	<u>\$ 2,284,865</u>	<u>\$ 25,909</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - COVID-19 EDA REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest and investment earnings	\$ 39,500	\$ 44,700	\$ 47,038	\$ 2,338
Miscellaneous	-	-	334	334
Total revenues	<u>39,500</u>	<u>44,700</u>	<u>47,372</u>	<u>2,672</u>
<u>EXPENDITURES</u>				
Administrative	45,000	43,500	41,714	1,786
Total expenditures	<u>45,000</u>	<u>43,500</u>	<u>41,714</u>	<u>1,786</u>
Excess (deficiency) of revenues over/(under) expenditures	(5,500)	1,200	5,658	4,458
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	(5,500)	1,200	5,658	4,458
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>1,367,228</u>	<u>1,367,228</u>	<u>1,367,228</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 1,361,728</u>	<u>\$ 1,368,428</u>	<u>\$ 1,372,886</u>	<u>\$ 4,458</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - COVID-19 SEA REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Federal revenue	\$ -	\$ 524,521	\$ 524,521	\$ -
Interest and investment earnings	28,000	28,500	31,547	3,047
Total revenues	<u>28,000</u>	<u>553,021</u>	<u>556,068</u>	<u>3,047</u>
<u>EXPENDITURES</u>				
Administrative	12,500	-	-	-
Total expenditures	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	15,500	553,021	556,068	3,047
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	15,500	553,021	556,068	3,047
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>432,027</u>	<u>432,027</u>	<u>432,027</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 447,527</u>	<u>\$ 985,048</u>	<u>\$ 988,095</u>	<u>\$ 3,047</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CARES EDA LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Federal revenue	\$ -	\$ 949,750	\$ 949,750	-
Interest and investment earnings	-	8,827	11,507	2,680
Total revenues	<u>-</u>	<u>958,577</u>	<u>961,257</u>	<u>2,680</u>
<u>EXPENDITURES</u>				
Administrative	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	958,577	961,257	2,680
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	-	958,577	961,257	2,680
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ 958,577</u>	<u>\$ 961,257</u>	<u>\$ 2,680</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -SSBCI MICRO LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Federal revenue	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Interest and investment earnings	-	17,100	17,522	422
Total revenues	<u>-</u>	<u>1,017,100</u>	<u>1,017,522</u>	<u>422</u>
<u>EXPENDITURES</u>				
Administrative	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	1,017,100	1,017,522	422
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	1,000,000	1,000,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	-	2,017,100	2,017,522	422
<u>FUND BALANCE, BEGINNING OF YEAR</u>	-	-	-	-
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ 2,017,100</u>	<u>\$ 2,017,522</u>	<u>\$ 422</u>

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF FINANCIAL POSITION
JEDCO DEVELOPMENT CORPORATION
DECEMBER 31, 2023

ASSETS

Cash and cash equivalents	\$ 267,648
Total assets	\$ 267,648

LIABILITIES

Due to JEDCO	\$ 250,830
Escrow deposits	13,507
Total liabilities	264,337

NET ASSETS

Without donor restrictions	3,311
Total net assets	\$ 3,311

See independent auditors' report

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
JEDCO DEVELOPMENT CORPORATION
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES

Fee payments	\$	149,703
Analysis fee income		-
Total revenues		149,703

EXPENSES

Administrative		147,659
Total expenses		147,659

CHANGE IN NET ASSETS

2,044

NET ASSETS, BEGINNING OF YEAR

1,267

NET ASSETS, END OF YEAR

\$ 3,311

See independent auditors' report

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2023

AGENCY HEAD: Jerry Bologna, President & CEO

Purpose	Amount
Salary	\$ 295,000
Benefits - Insurance	26,204
Benefits - Retirement	58,940
Other Benefits	1,380
Car Allowance	15,000
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	7,802
Travel	-
Registration Fees	-
Conference Travel	10,307
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	400
Memberships and Dues	1,760
Site Selectors and Business Development	607
	<u>\$ 417,400</u>

See independent auditors' report

SINGLE AUDIT SECTION



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

Board of Commissioners
Jefferson Parish Economic Development Commission
Avondale, 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, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson Parish Economic Development Commission (JEDCO), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise JEDCO's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEDCO's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JEDCO's internal control. Accordingly, we do not express an opinion on the effectiveness of JEDCO'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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 14, 2024

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

Board of Commissioners
Jefferson Parish Economic Development Commission
Avondale, Louisiana

Opinion on Each Major Federal Program

We have audited Jefferson Parish Economic Development Commission's (JEDCO), a component unit of Jefferson Parish, Louisiana, 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 each of JEDCO's major federal programs for the year ended December 31, 2023. JEDCO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, JEDCO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 Uniform Guidance and further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of JEDCO 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 each major federal program. Our audit does not provide a legal determination of JEDCO's 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 controls over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to JEDCO'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 JEDCO'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 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 judgement made by a reasonable user of the report on compliance about JEDCO's compliance with the requirements of each 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 judgement 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 JEDCO'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 JEDCO'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 JEDCO'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 a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Richard CPAS

Metairie, Louisiana
June 14, 2024

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grant Number	Loans Disbursed	Federal Expenditures
<u>U.S. Department of Housing and Urban Development:</u>				
Passed through Jefferson Parish				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants - Entitlement Grants (COVID-19)	14 218	B00-UC-23-0001	\$ 55,577	\$ 929,318
Total U.S. Department of Housing and Urban Development Assistance			<u>55,577</u>	<u>929,318</u>
<u>U.S. Department of Commerce:</u>				
Direct Programs				
Economic Development Cluster				
Economic Adjustment Assistance - COVID-19 - CARES Act Revolving Loan Fund	11 307	08-79-05129	-	1,279,870
Total U.S. Department of Commerce Assistance (COVID-19 EDA Fund)			<u>-</u>	<u>1,279,870</u>
Direct Programs				
Economic Development Cluster				
Economic Adjustment Assistance - CARES EDA	11 307	08-69-05762	949,750	949,750
Total U.S. Department of Commerce Assistance (CAPES EDA Fund)			<u>949,750</u>	<u>949,750</u>
Passed through the State of Louisiana Economic Development Corporation				
Economic Development Cluster				
Economic Adjustment Assistance - American Rescue Plan Act of 2021	11 307	None	325,398	325,398
Total U.S. Department of Commerce Assistance (SSBCI Fund)			<u>325,398</u>	<u>325,398</u>
Passed through the State of Louisiana Economic Development Corporation				
Economic Development Cluster				
Direct Programs				
Cares Act Recovery Adjustment Assistance				
Total U.S. Department of Commerce (General fund)	11 307	08-69-05434	96,183	96,183
			<u>96,183</u>	<u>96,183</u>
Total U.S. Department of Commerce			<u>1,371,351</u>	<u>2,642,201</u>
<u>U.S. Department of Agriculture</u>				
Direct Programs				
U.S. Department of Agriculture Incubator	10 177			
Total U.S. Department of Agriculture Assistance (General fund)		USDA AM21RFSPLA1005-	24,997	24,997
			<u>24,997</u>	<u>24,997</u>
<u>U.S. Environmental Protection Agency</u>				
Direct Programs				
Brownfield Assessment Coalition Grant	06 818	BF-01F0501-0	182,542	182,542
Total U.S. Environmental Protection Agency (General fund)			<u>182,542</u>	<u>182,542</u>
Total Federal Expenditures			<u>\$ 2,114,447</u>	<u>\$ 5,779,058</u>

See independent auditor's report and notes to the schedule of expenditures of federal awards.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of the federal awards of JEDCO. The information in this Schedule is presented in accordance with the 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). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other agencies. Because the Schedule presents only a selected portion of the operations of the Parish, it is not intended to and does not present the financial position, changes in net position, or cash flows of JEDCO.

2. Summary of Significant Accounting Policies

JEDCO's schedule of expenditures of federal awards is presented using the accrual basis of accounting which is described in Note 1 to JEDCO's financial statements for the year ended December 31, 2023.

3. Description of Grants

COVID-19 EDA Revolving Loan Fund

The Economic Development Administration (EDA) provided JEDCO with funds for a revolving loan pool which finances business development activities consistent with local economic development strategies. These funds provide access to capital for those small businesses that suffered directly from the COVID-19 epidemic.

COVID-19 CARES Act Seafood Enterprise Assistance (SEA) Revolving Loan Fund

In 2022, JEDCO was awarded \$1 million in Department of Housing and Urban Development (HUD) Community Development Block Grant Funds (CDBG) through the Jefferson Parish Office of Community Development. The purpose of the fund is to create a revolving loan fund for small business owners in the seafood industry negatively impacted by the COVID-19 pandemic to assist in the recovery of the industry. During the year ended December 31, 2023, JEDCO received federal grant revenue of \$556,068 for this grant through Jefferson Parish.

CARES EDA Act Revolving Loan Fund

In 2022, JEDCO was awarded 1.5 million from the Department of Commerce's Economic Development Administration (EDA). The award represents funding for a three-year period to operate a revolving loan fund.

Small Business Credit Initiative (SSBCI) Act Revolving Loan Fund

The SSBCI Revolving Loan Fund accounts for micro loans less than \$50,000 provided to businesses operating in Jefferson Parish. The fund is supported 50% by federal funds from the U.S. Department of Treasury and 50% by funds from JEDCO. During the year ended December 31, 2023, JEDCO received \$1,000,000 in federal revenue and transferred \$1,000,000 from the BRGL/LRCF Loan fund to support this program.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2023

4. Outstanding Loans

The value of loans outstanding, net of allowance for doubtful accounts, is as follows as of December 31, 2023:

EDA COVID-19 Revolving Loan Fund	\$ 1,087,404
SEA COVID-19 Revolving Loan Fund	855,304
CARED EDA Revolving Loan Fund	935,282
SSBCI Revolving Loan Fund	314,106
Total	<u>\$ 3,192,096</u>

5. Indirect Cost Rate

JEDCO has elected not to use the 10% de minimis indirect cost rate as provided for in section 200.413 of the Uniform Guidance.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2023

1. Summary of Independent Auditors' Results

Financial Statements

- (a) The type of report issued on the basic financial statements: **Unmodified**
- (b) Internal control over financial reporting:
- Material weakness(es) identified. **None reported.**
- Significant deficiency(ies) identified: **None reported.**
- (c) Noncompliance which is material to the basic financial statements: **None reported**

Federal Awards

- (d) Internal control over major programs:
- Material weakness(es) identified. **None reported.**
- Significant deficiency(ies) identified: **None reported.**
- (e) Type of auditors' report issued on compliance for major programs: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a). **No**
- (g) Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
11.307	U.S. Department of Commerce Economic Development Cluster COVID-19 – CARES Act Revolving Loan Assistance
14.218	U.S. Department of Housing and Urban Development Cluster COVID-19 – CDBG Entitlement Grants

- (h) Dollar threshold to distinguish between Type A and Type B programs. **\$750,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None

3. Findings and questioned costs for federal awards

None

**JEFFERSON PARISH ECONOMIC DEVELOPMENT
COMMISSION**

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT**

DECEMBER 31, 2023



**JEFFERSON PARISH ECONOMIC DEVELOPMENT
COMMISSION**

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT**

DECEMBER 31, 2023

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Jefferson Parish Economic Development Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. Jefferson Parish Economic Development Commission's management is responsible for those C/C areas identified in the SAUPs.

Jefferson Parish Economic Development Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023, through December 31, 2023. Additionally, 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 Jefferson Parish Economic Development Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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.

Richard CPAS

Metairie, Louisiana
June 14, 2024

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2023

Procedures

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 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. 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:

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

No exceptions were found as a result of this procedure.

- ii. ***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 exceptions were found as a result of this procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

- iv. ***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 exceptions were found as a result of this procedure.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2023

- v. ***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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this procedure.

- vi. ***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 exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- ix. ***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.

- x. ***Exceptions noted. We did not observe within the ethics policy, a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.***

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

No exceptions were found as a result of this procedure.

- xii. ***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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2023

No exceptions were found as a result of this procedure.

- xiii. ***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 exceptions were found as a result of this procedure.

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 that 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 exceptions were found as a result of this procedure.

- 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. *Alternately, for those entities reporting on the nonprofit 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.*

No exceptions were found as a result of this procedure.

- 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.

N/A – JEDCO has a positive fund balance reported on the prior year audit report.

- 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.

N/A – there were no audit finding(s) reported on the prior year audit report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2023

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:

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

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include written evidence that a member of management or board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

No exceptions were found as a result of this procedure.

- 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 exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under "Bank Reconciliations" above (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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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- iv. Observe 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 exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

5) *Non-Payroll Disbursements (excluding card purchases/payments, 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).

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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- 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 exceptions were found as a result of this procedure.

- 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:

- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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 exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

No exceptions were found as a result of this procedure.

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- 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:
- 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

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, 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:
- i. If reimbursed using a per diem, observe 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 exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Observe 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 were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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. *Alternately, 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

- 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 exceptions were found as a result of this procedure.

- 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).

No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g., change order), observe 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, was approval documented).

No exceptions were found as a result of this procedure.

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- 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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) *Payroll and Personnel*

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

No exceptions were found as a result of this procedure.

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

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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- 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, 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 or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure.

- 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 were found as a result of this procedure.

10) Ethics

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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11) Debt Service

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

No exceptions were found as a result of this procedure.

- 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).

No exceptions were found as a result of this procedure.

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.

N/A – there were no misappropriations of public funds and assets during the fiscal period.

- B. Observe 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 exceptions were found as a result of this procedure.

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 tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for backing up the critical 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

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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 no written documentation, 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 accountingsystem 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 Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions were found as a result of this procedure.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have complete cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – complete the training and within 30 days of initial service or employment.

No exceptions were found as a result of this procedure.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A above, obtain sexual harassment training documentation from management, and observe 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 were found as a result of this procedure.

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- B. Observe 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 exceptions were found as a result of this procedure.

- 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 it includes the applicable requirements of R.S. 42:344:

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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MANAGEMENT RESPONSES:

Written Policies and Procedures - JEDCO concurs with the finding. In practice, JEDCO notifies its employees of changes to the entity's ethics policy, but it did not detail this process in JEDCO's written policies and procedures. The exception has been corrected with the following language added "JEDCO will notify employees and maintain documentation of any notifications regarding any changes to the entity's ethics policy."