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BASIC FINANCIAL STATEMENTS

JEFFERSON FACILITIES, INC.

Year ended June 30, 2024

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JEFFERSON FACILITIES, INC.

BASIC FINANCIAL STATEMENTS

Year ended June 30, 2024

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VINCENT R. PROTTI, JR., LLC

Certified Public Accountant

Member of the Society of Louisiana CPA's

Independent Auditor's Report

Jefferson Facilities, Inc.
230 Huey P. Long Avenue
Gretna, LA 70053

Opinion

I have audited the accompanying financial statements of Jefferson Facilities, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2024 and the related statement of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Facilities, Inc. as of June 30, 2024, and the changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Audit's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of JFI and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of consolidated 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 JFI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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527 Huey P. Long Avenue
Gretna, LA 70053

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my opinion. 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 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 statement.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercised 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 JFI 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JFI's ability to continue as a going concern for a reasonable period of time.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Board Compensation on page 15 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other record used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In my opinion, the information is fairly stated in all material respects related to the financial statements as a whole.

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Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Governmental Auditing Standards*, I have also issued my report dated October 2, 2024, on my consideration of Jefferson Facilities, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Jefferson Facilities, Inc.'s internal control over financial reporting and compliance.

I am 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 I identified during the audit.


Vincent R. Protti Jr., CPA

October 23, 2024

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JEFFERSON FACILITIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current Assets

Cash and Cash Equivalent	\$ 117,298
Accounts Receivable	6,387
Prepaid Expenses	<u>13,980</u>
Total Current Assets	137,665

Fixed Assets

Construction In Progress-Kingfish Imp.	1,571,500
Construction In Progress-519 Huey P. Long	
Parking Control Equipment	368,858
Accumulated Depreciation	<u>(368,858)</u>
Total Fixed Assets	1,571,500

TOTAL ASSETS **\$ 1,709,165**

LIABILITIES

Current Liabilities

Accounts Payable	\$ 484,838
Bond Interest Payable	23,342
Loan Payable - Current	405,000
Note Payable – SP Plus	532
Due to Jefferson Redevelopment, Inc.	263
Due to Jefferson Parish	<u>263</u>
Total Current Liabilities	\$ <u>914,238</u>

Non-current Liabilities

Unamortized Premium on Refund	25,338
Loan Payable - Noncurrent	<u>3,281,319</u>
Total Non-current Liabilities	<u>3,306,657</u>

TOTAL LIABILITIES **\$ 4,220,895**

NET ASSETS

Without Donor Restrictions (Deficit) (2,511,730)

Total Net Assets (Excess of Liabilities) **\$ 1,709,165**

The accompanying notes are an integral part of these financial statements.

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JEFFERSON FACILITIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2024

Without Donor Restrictions

Revenues

Parking Garage Revenue	\$ 394,192
Other Revenue	536
Interest Income	<u>414</u>
Total Revenues	395,142

Expenses

Program Activities

Credit Card Service Charges	22,946
Insurance	82,692
Office Expenses	4,228
Postage & Shipping	1,402
Payroll	87,673
Rent	24
Repairs and Maintenance	22,241
Sales Tax	<u>34,915</u>
Total Program Activities	256,121

Management & General

Auto Mileage	824
Bank Service Charges	3,817
Base Management Fees	21,600
Board Compensation	750
Bond Trustee Fees	3,146
Depreciation & Amortization	4,652
Interest	176,092
Office Expenses	18,179
Professional Fees	52,951
Retirement	<u>2,008</u>
Total Management & General	284,019

Total Expenses \$ 540,140

Operating loss (144,998)

Capital transfers

Capital Transfers In	1,682,425
Capital Transfers Out	<u>(3,100)</u>

Total Capital Transfers 1,679,325

Changes in Net Assets 1,534,327

Net Assets, without donor restrictions – beginning of year (4,046,057)

Net Assets, without donor restrictions – end of year \$ (2,511,730)

The accompanying notes are an integral part of these financial statements.

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JEFFERSON FACILITIES, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Parking Garage Operations	\$ 108,952
Cash Received from Jefferson Parish	1,118,125
Cash Payments for Professional Services	(52,951)
Cash Payments for Insurance	(25,252)
Cash Payments for Board Compensation	(750)
Cash Payments for Other	(9,180)

Net cash provided (used) by operating activities	1,138,944
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CASH FLOWS FROM INVESTING ACTIVITIES:

Payments for Construction	(1,074,250)
Interest Income	<u>414</u>

Net Cash Used by Investing Activities	(1,073,836)
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NET increase (decrease) in cash and cash equivalents	65,108
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CASH AND CASH EQUIVALENTS, beginning of year	<u>52,190</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 117,298</u></u>
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SUPPLEMENTAL DISCLOSURES FOR NON-CASH ACTIVITY

Interest Paid	\$ 176,092
Income Taxes paid	\$ - 0 -

The accompanying notes are an integral part of these financial statements.

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**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A - SUMMARY OF SIGNATURE ACCOUNTING POLICIES

Jefferson Facilities, Inc. (JFI) was formed on January 11, 2001 as a private non-profit corporation pursuant to the Louisiana Non-Profit Corporation Law (Chapter 2 of Title 12 of the Louisiana Revised Statutes of 1950, as amended). It was established as an economic development corporation, and, particularly the provisions of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, with the permission of the Parish Council of the Parish of Jefferson, Louisiana, by resolution dated October 18, 2000. The purpose of the corporation is to actively seek interaction through federal, state or local government initiatives or through its own volition or create programs whereby it may best interact and cooperate with other economic development corporations to carry out the purposes for which it is created. The corporation is organized on a non-stock basis and is managed by a three-person Board of Directors who receive a per diem for each meeting up to 52 weeks per annum, which is exclusively attributable to sources other than garage revenues, and who may be reimbursed for actual expenses incurred in the performance of JFI's business.

1. **FINANCIAL REPORTING ENTITY**

The entity is a component unit of Jefferson Parish, Louisiana. A component unit is defined as a legally separate organization for which the elected officials of the primary government (Jefferson Parish, Louisiana) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability.

2. **BASIS OF ACCOUNTING**

Basis of accounting relates to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The activities of JFI are accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized at the time the liability is incurred. The revenues susceptible to accrual are the net due to/ from SP Plus Corporation (garage management company).

3. **ACTIVITIES**

The entity engages in activities for the purpose of alleviating conditions of economic distress affecting jurisdictions in which the entity is operative. The affected jurisdiction of the entity is that portion of the Parish of Jefferson, Louisiana, west of the Mississippi River and the geographic location where local economic development activity should be directed to achieve maximum effort, to be designated as an Economic Development Area by the entity and the Parish of Jefferson, shall be coexistent with the boundaries of the Jurisdiction.

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**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less.

5. **NET ASSETS**

Net Assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Parish through restrictions imposed by contracts. There were no restrictions on any net assets presented in the financial statements

6. **TRANSFERS IN (OUT)**

The agreements between JFI and Jefferson Redevelopment, Inc. and between JFI and Jefferson Parish relative to the leased facilities (Note C) provide for the flow of assets without an equivalent flow of assets in return and without a requirement for repayment. Accordingly, the payments relative to these leases are reported as transfers in (out) in the Statement of Activities and Changes in Net Assets. Administrative and operating expenses of Jefferson Redevelopment, Inc. paid in connection with these leases are also treated and reported as transfers (out) in the Statement of Activities and Changes in Net Assets.

7. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - DEPOSITS AND CONCENTRATION OF CREDIT RISK

At June 30, 2024, the carrying amount of JFI's unrestricted deposits was \$117,298 which equaled their bank balances.

NOTE C - LEASED FACILITIES

The parking operations of JRI are conducted in leased facilities which are subject to several agreements described below.

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**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE C - LEASED FACILITIES (Continued)

1. COOPERATIVE ENDEAVOR AGREEMENT

JFI entered into a Cooperative Endeavor Agreement with the Parish of Jefferson, Louisiana, and Jefferson Redevelopment, Inc., dated August 1, 2001, which sets forth the representations and obligations that the parties agreed upon to facilitate the development, design, finance, construction, and operation of a parking garage. The details of the agreement are outlined below. This agreement was first amended on May 16, 2007, which amendment altered the original Cooperative Endeavor Agreement between these parties, described above, in that it provided for the construction of additional facilities on the leased premises. This agreement was next amended on November 1, 2012, which altered the original Cooperative Endeavor Agreement and amended Cooperative Endeavor Agreement, both described above, in that it provided for the refinance of the Series 2001 Bond and the mortgage securing same.

2. SUBLEASE AGREEMENT

The Parish of Jefferson has leased certain tracts of land situated in Jefferson Parish, Louisiana, upon which the parking garage was constructed to Jefferson Redevelopment, Inc., a public benefit non-profit organization. This lease, entered into on August 1, 2001, for \$1.00 per month, was modified by an amendment on November 1, 2012 which provided for the refinancing of the Series 2001 bond.

JFI entered into a sublease agreement with Jefferson Redevelopment, Inc. on August 1, 2001, for the land on which the parking garage is built. JFI has the right to use and enjoy the premises for the construction and operation of the parking garage. In consideration of this sublease, JFI agrees, at its own expense, to design, build, maintain, and operate a parking garage and agrees to pay rental of \$1.00 per month. As additional rent, JFI agrees to pay all amounts owed by Jefferson Redevelopment, Inc. to the Parish under the ground lease \$1.00 per month and further agrees to pay all administrative and operating expenses of JRI. The garage and improvements are owned by JRI. The sublease was amended on November 1, 2012 to provide for the refinancing of the Series 2001 bonds and to provide not less than 700 parking spaces for use by Jefferson Parish personnel and employees.

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**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE C - LEASED FACILITIES (Continued)

JFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) on November 1, 2012. In conjunction with this new loan agreement, which was a refinancing of JFI's debt obligations, the prior-issued Series 2001 bonds of \$9,315,000 were paid off. This payoff cancelled the prior loan agreement. Under the agreement, the Authority issued \$7,615,000 of revenue bonds to finance the garage construction and loaned the proceeds to JFI. JFI is required to make the debt service payments on the bonds directly to the trustee. The lease ends at midnight on August 1, 2031, or the date on which the bond has been paid in full, whichever is later. The total amount of minimum rentals to be paid under the non-cancellable sublease as of June 30, 2024 is (including ground rent payable to the Parish).

<u>Future Minimum Lease Payments:</u>	
2025 - 2029	\$ 120
2030 - 2031	<u>32</u>
Total	<u>\$ 152</u>

The parking garage construction is owned by Jefferson Redevelopment, Inc. while the bond is outstanding. Upon payment in full of the bond, Jefferson Redevelopment, Inc. shall transfer ownership of the facilities to the Parish.

3. **PARKING FACILITIES LEASE AGREEMENT**

JRI entered into an agreement with the Parish of Jefferson, State of Louisiana, to lease to the Parish 200 parking spaces as selected by the Parish on August 1, 2001. In May of 2007, an amendment to this agreement provided for additional facilities consisting of an expansion of the parking garage to a total of 931 parking spaces and the use of land for Jefferson Parish to construct an emergency management building. In consideration for the use of the parking spaces, the Parish has contracted with JFI to provide funds to the trustee, which when combined with rental revenues available from the operation of the parking garage, will be sufficient to pay principal and interest on the bond. The lease payments are due prior to each interest payment date for the bond issued to construct the parking garage. The lease renews automatically each year with the appropriation by the Jefferson Parish Council of amounts sufficient to pay the lease payments.

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**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE C - LEASED FACILITIES (Continued)

The obligation of the Parish to make rental payments and to pay any additional payments payable under this facilities lease constitutes a current obligation payable exclusively from legally appropriated funds and shall not be construed to be indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement. The Parish has not pledged its full faith and credit or its taxing power to make any rental payment or any additional payments under this facilities lease. The Parish has the right to be reimbursed on a first priority basis from any excess funds generated by the operations of the parking garage. The facilities lease agreement was amended on November 1, 2012 to provide for the refinancing of the Series 2001 bond.

4. **519 HUEY P. LONG AVENUE LEASE**

JFI has entered into a CEA with the Parish of Jefferson for the lease, restoration, improvements, construction and after construction management of the property at 519 Huey P. Long Avenue, Gretna, LA 70053. An approximately 18,900 square foot parcel of land bounded by Huey P. Long Avenue on two sides and by 5th Street and 6th Street (the "Property"). The property is improved with a three-story historic school building of approximately 20,000 square foot; the ground floor is occupied and the upper two floors are vacant and gutted. The project cost is not to exceed \$2,763,686.59.

Jefferson Parish along with JFI seeks to restore its property and place the historic Gretna school building back into commerce. The restoration and use of the Property should embody the growth and dynamism of downtown Gretna and serve as an economic driver for the continued success of the neighborhood. Property uses should serve residents, businesses and visitors and reinforce Gretna's standing as a premier downtown in the Greater New Orleans region.

The primary use of the 2nd and 3rd floors of the building will be shared office, or co-working use. This space encompasses approximately 13,000 gross square feet. On the ground floor, the existing German American Cultural Center will consolidate its operations in the existing museum side of its footprint (approximately 2,400 square foot) and vacate the meeting room and commercial kitchen. The vacated meeting room space shall be leased as commercial space. The Program Manager has identified a neighborhood-serving grocery market, daycare center or similar community amenity as the desired tenant. This leased space is approximately 3,000 square foot, including the commercial kitchen. JFI has entered into a construction contract for the necessary improvements to the property. Construction is scheduled to be completed by the end of November 2024.

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JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE D - CAPITAL ASSETS

A summary of changes in capital assets and depreciation for the year ended June 30, 2024 are as follows:

	<u>Parking Control Equipment</u>	<u>Construction In Progress</u>
<u>Capital Assets</u>		
Balance July 1, 2023	\$ 368,858	\$ 37,553
Additions	-0-	1,533,948
Balance June 30, 2024	<u>\$ 368,858</u>	<u>\$ 1,571,500</u>
<u>Accumulated Depreciation</u>		
Balance July 1, 2023	\$ 368,858	
Depreciation Expense	-0-	
Balance June 30, 2024	<u>\$ 368,858</u>	

NOTE E - LONG-TERM DEBT

As discussed in Note C, on November 12, 2012, JFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain refinancing of \$7,615,000 to refinance prior-issued bond for the design and construction of the parking facilities at the Gretna Courthouse Complex, Gretna, Louisiana. Financing of the project is through the issuance of Revenue Bond (Jefferson Facilities, Inc. - Jefferson Parking Garage Project), Series 2012. This bond has a yearly fixed rates of interest at an average yield of 4.55% and are due in varying installments through September 1, 2031. Proceeds from the bond issuance are used to pay the costs of the project; fund a deposit to the reserve fund, if any; to pay capitalized interest on the bond; and to pay costs of issuance of the bond. Annual debt service for future years ending June 30 is shown below.

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JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE E - LONG-TERM DEBT (Continued)

Scheduled Annual Debt Service:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>
2025	425,000	119,800	544,800
2026-2030	2,400,000	340,712	2,740,712
2031	515,000	18,026	533,026
	<u>\$ 3,340,000</u>	<u>\$ 478,538</u>	<u>\$ 3,818,538</u>

LOAN AND ASSIGNMENT AGREEMENT

A Loan and Assignment Agreement dated August 1, 2001 cancelled by and replaced with an agreement dated November 1, 2012, between the Louisiana Local Government Environmental Facilities and Community Development Authority and Jefferson Facilities, Inc. was executed for the benefit of the Trustee for the owners from time to time of the bond whereby JRI consented and agreed to the assignment of its rights, title, and interest in the Facilities Lease Agreement (Note C) and any leases, subleases, and use agreements or other similar agreements relating to the Parking Garage, all rents revenues, issues, receipts, and profits derived from the use, operation or occupancy of the Parking Garage, all proceeds of insurance received as a result of any damage to or destruction of the Parking Garage, all amounts received or receivable by the entity as compensation for the transfer of the Parking Garage but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Parking Garage.

MORTGAGE

In an act of mortgage dated August 16, 2001, and amended on November 1, 2012, JFI mortgaged, assigned, affected, pledged, and hypothecated in favor of the Bank of New York, as Trustee under the Indenture, its leasehold interest in and to the immovable property under the Sublease Agreement (Note 3), in order to secure the full and punctual payment and performance of the bond.

CAPITALIZED INTEREST

Interest cost incurred to get a capital asset ready for its intended use is capitalized. There was no capitalized interest during the current period.

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**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE F - GARAGE MANAGEMENT

The Parking Garage became operational in August of 2002. JFI is currently entered into a garage management contract with SP Plus Corporation. SP Plus Corporation provides all personnel and maintains controls over cash receipts, accounting procedures, and reporting systems of the garage. JFI reimburses the garage management for allowable operating costs and provides a monthly base management fee. The contract term is from August 1, 2016 through August 31, 2021.

NOTE G- ECONOMIC DEPENDENCY

JFI is dependent on the Jefferson Parish Council to renew annually the appropriation of amounts sufficient to pay the bond payments and construction projects.

NOTE H – SUBSEQUENT EVENTS

JFI is planning in the next year to develop the Kingfish Lot as a mixed-use development that will include a multi-story parking structure and two (2) leasable commercial spaces. The mixed-use development shall be owned by Parish; however, Parish agrees that in consideration for the performance by JRI and JFI set forth in the Cooperative Endeavor Agreement, the Ground Lease Agreement and the Sublease Agreement, Parish will lease the mixed-use development constructed on Tract 4 Courthouse-Lot to JRI until August 1, 2046. The project includes the construction of two new retail structures including approximately 16,063 square foot of gross interior building area and another 5,404 square foot of exterior balconies/roof terraces and entertainment, linear park, information kiosk and improved drainage. These investment estimates are from \$9 to \$10 million once Jefferson Parish agrees to fund this project.

NOTE I – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 23, 2024 date which the financial statements were available to be issued.

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**JEFFERSON FACILITIES, INC.
SUPPLEMENTARY INFORMATION-COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Compensation</u>
BOARD MEMBERS	
James Juneau	\$ 750.00

Jefferson Facilities, Incorporated doesn't have any employees, officers, or directors and no other reporting requirements under Act 706.

VINCENT R. PROTTI, JR., LLC

Certified Public Accountant

Member the Society of Louisiana CPA's

INDEPENDENT AUDITOR REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Board Members of
Jefferson Facilities, Inc.

I 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson Facilities, Incorporated as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued my report thereon dated October 23, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Jefferson Facilities, Incorporated internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the effectiveness of Jefferson Facilities, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Jefferson Facilities, Inc.'s internal control over financial reporting.

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 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.

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

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Gretna, LA 70053

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vincent R. Protti Jr., CPA

October 23, 2024

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JEFFERSON FACILITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

I have audited the financial statements of Jefferson Facilities, Incorporated as of June 30, 2024, and have issued my report thereon dated October 23, 2024. I conducted my audit in accordance with auditing standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2024 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness - No

Other Conditions - No

Compliance

Compliance Material to Financial Statements - No

Section II Financial Statement Findings

None

Prior Year Finding – None

JEFFERSON FACILITIES, INC.

Board Members:

William Lazaro

Ryan Templet

Arthur Lawson

Corporate Counsel:

David L. Colvin

230 Huey P. Long Avenue
Gretna, Louisiana 70053

Telephone (504) 367-9001

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December 20, 2024

VIA EMAIL ONLY: vprotti@yahoo.com

Mr. Vincent R. Protti, Jr., CPA

527 Huey P. Long Ave.

Gretna, LA 70053

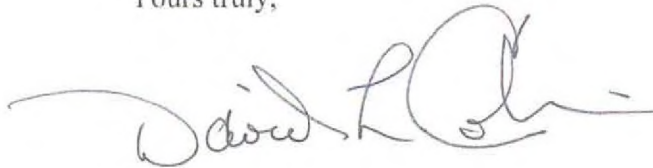
Dear Mr. Protti,

Please be informed that the issue regarding the bank reconciliations being dated but not signed was addressed at the Jefferson Facilities, Inc. Board Meeting of December 12, 2024. The Board decided to amend the Policies and Procedures to direct that all reconciliations be timely dated and signed in compliance with all Legislative Auditors' rules.

Additionally, Jefferson Facilities, Inc. has received your report indicating that Mr. James Juneau, a prior Board Member who resigned during the 2023/2024 fiscal year, did not complete his ethics certification as required during the year in which he resigned from the Board.

To address this issue, the Board of Jefferson Facilities, Inc., at its last meeting, passed a resolution to the effect that all outgoing Board Members be sent a letter from the Board stating that each Member is required to complete ethics training during the year in which a Member serves on the Board, including any partial years that they may serve. Further, the Board directed that the Policies and Procedures be amended to reflect the foregoing.

Yours truly,



David L. Colvin
General Counsel to Jefferson Facilities, Inc.

DLC/dstp

VINCENT R. PROTTI, JR., LLC

Certified Public Accountant

Member The Society of Louisiana CPA's

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Jefferson Facilities Incorporated and the Louisiana Legislative Auditor:

I 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 July 1, 2023 through June 30, 2024. Jefferson Facilities, Incorporated entity's management is responsible for those C/C areas identified in the SAUPs.

Jefferson Facilities, Inc. Entity 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 July 1, 2023 through June 30, 2024. 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 and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES – no exceptions noted

BOARD COMMITTEE – no exceptions noted

BANK RECONCILIATIONS – **EXCEPTION NOTED**-bank reconciliations were prepared timely but the review of the bank reconciliations was not dated

COLLECTIONS – not applicable, the entity doesn't collect any cash/checks/money orders

NON-PAYROLL DISBURSEMENTS- not applicable, the entity doesn't have employees

CREDIT CARD/DEBIT CARDS/FUEL CARDS/P-CARDS- not applicable, none issued

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENT-not applicable-none

CONTRACTS – no exceptions noted, none during fiscal year

PAYROLL AND PERSONNEL- not applicable, only has a Board no employees

ETHICS – **EXCEPTION NOTED**-one board member that retired during the fiscal year did not take the required ethics training

DEBT SERVICE – not applicable, none for fiscal year

FRAUD NOTICE – no exception noted

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY- I performed the procedures and discussed the results with management

SEXUAL HARASSMENT – no exceptions, but did post sexual harassment policies and complaint procedures on the premise, but has no employees

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I was engaged by Jefferson Facilities, Inc. 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*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Jefferson Facilities, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

Vincent R. Protti Jr., CPA


Gretna, Louisiana

November 25, 2024