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**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION
JEFFERSON PARISH, LOUISIANA**

FINANCIAL REPORT

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 14 2000

TABLE OF CONTENTS

Financial Section

	<u>Page</u>
Independent Auditors' Report	1
General-Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	5
Statement of Revenue, Expenditures and Changes in Fund Balance - Actual and Budget - General Fund	7
Notes to Financial Statements	9
Supplemental Information	
Schedule of Expenditures - Actual and Budget - General Fund	25

Compliance Section

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Jefferson Parish Economic Development Commission
Jefferson Parish, Louisiana

We have audited the accompanying general-purpose financial statements of **Jefferson Parish Economic Development Commission ("JEDCO")**, a component unit of Jefferson Parish, Louisiana as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of **JEDCO's** management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of **JEDCO** as of December 31, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2000, on our consideration of **JEDCO's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of **JEDCO** taken as a whole. The accompanying supplemental information on pages 25 through 27 is presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. This additional information is the responsibility of **JEDCO**. Such information has been subjected to the auditing procedures applied in the audit of

the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of JEDCO's Audit Committee, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Rebowe & Company

February 11, 2000 (Except Note 17, which is dated February 29, 2000)

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

	Governmental Fund Type		Fiduciary Fund Type		Account Groups			Total (Memorandum Only)
	Special Revenue		Agency		General Long-Term Debt			
	General	-	-	-	General Fixed Assets	-	-	
ASSETS AND OTHER DEBITS								
Assets								
Cash and cash equivalents	\$ 372,268	\$ 519,952	\$ 225,131	\$ -	\$ -	-	-	\$1,117,351
Restricted cash and cash equivalents	121,300	-	-	-	-	-	-	121,300
Prepaid expenses	15,231	-	-	-	-	-	-	15,231
Receivable, net of allowance for estimated uncollectible receivables:								
Notes	-	249,928	313,883	-	-	-	-	563,811
Lease payments Accounts	-	-	2,566,705	-	-	-	-	2,566,705
Due from other funds	12,924	-	-	-	-	-	-	12,924
Intergovernmental receivable	66,468	-	6,738	-	-	-	-	73,206
Fixed assets	-	-	3,009,170	-	-	-	-	3,009,170
	-	-	-	817,364	-	-	-	817,364
Other Debits								
Amount to be provided for payment of general long-term debt	-	-	-	-	-	-	-	85,548
	<u>\$ 588,191</u>	<u>\$ 769,880</u>	<u>\$6,121,627</u>	<u>\$ 817,364</u>	<u>\$ 85,548</u>	<u>\$ 85,548</u>	<u>\$ 85,548</u>	<u>\$8,382,610</u>
Total assets and other debits								

See notes to the financial statements.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)**

December 31, 1999

Liabilities	Governmental Fund Type		Fiduciary Fund Type		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Agency	General Fixed Assets	General		Long-Term Debt	
					-	-		
Accounts payable	\$ 65,269	-	-	-	-	-	-	\$ 65,269
Accrued pension plan contribution	43,866	-	-	-	-	-	-	43,866
Accrued interest payable	-	-	130,875	-	-	-	-	130,875
Compensated absences payable	-	-	-	-	-	39,172	-	39,172
Intergovernmental payable	-	-	539,014	-	-	-	-	539,014
Due to other funds	-	66,468	6,738	-	-	-	-	73,206
Escrow deposits	6,000	-	-	-	-	-	-	6,000
Capital lease payable	-	-	-	-	-	12,704	-	12,704
Notes payable	-	-	5,445,000	-	-	-	-	5,445,000
Loan payable	-	-	-	-	-	33,672	-	33,672
Deferred revenue	-	45,000	-	-	-	-	-	45,000
	<u>115,135</u>	<u>111,468</u>	<u>6,121,627</u>	<u>-</u>	<u>-</u>	<u>85,548</u>	<u>-</u>	<u>6,433,778</u>
Total liabilities								
Equity and Other Credits								
Investment in general fixed assets	-	-	-	817,364	-	-	-	817,364
Fund balance - reserved	121,300	-	-	-	-	-	-	121,300
Fund balance - unreserved, undesignated	<u>351,756</u>	<u>658,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,010,168</u>
	<u>473,056</u>	<u>658,412</u>	<u>-</u>	<u>817,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,948,832</u>
Total equity and other credits								
Total liabilities, equity and other credits	<u>\$ 588,191</u>	<u>\$ 769,880</u>	<u>\$6,121,627</u>	<u>\$ 817,364</u>	<u>\$ -</u>	<u>\$ 85,548</u>	<u>\$ -</u>	<u>\$8,382,610</u>

See notes to the financial statements.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
 For the Year Ended December 31, 1999**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Intergovernmental:			
Share of Jefferson Parish occupational licenses	\$ 1,164,840	\$ -	\$ 1,164,840
Charges for services	80,569	750	81,319
Enterprise Center and JEDCO "West":			
Rents	124,725	-	124,725
Telephone charges	29,117	-	29,117
Interest	46,234	43,025	89,259
Miscellaneous	2,778	-	2,778
Restricted donations	<u>121,300</u>	<u>-</u>	<u>121,300</u>
Total revenues	1,569,563	43,775	1,613,338
Other financing sources:			
Operating transfers in	43,775	-	43,775
Forgiveness of debt	<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total other financing sources	268,775	-	268,775
Total revenues and other financing sources	<u>\$ 1,838,338</u>	<u>\$ 43,775</u>	<u>\$ 1,882,113</u>

(Continued)

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES (CONTINUED)
 For the Year Ended December 31, 1999**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total (Memorandum Only)</u>
Expenditures:			
Current:			
Enterprise Center	\$ 206,581	\$ -	\$ 206,581
JEDCO "West"	147,281	-	147,281
Financing the future	264,862	-	264,862
Port/transportation	169,079	-	169,079
Business outreach	214,745	-	214,745
Administrative	380,388	-	380,388
Bad debt write-off	-	6,058	6,058
Debt Service Intergovernmental:			
Principal	309,888	-	309,888
Interest	<u>2,467</u>	<u>-</u>	<u>2,467</u>
Total expenditures	<u>1,695,291</u>	<u>6,058</u>	<u>1,701,349</u>
Other financing uses:			
Operating transfers out	<u>-</u>	<u>43,775</u>	<u>43,775</u>
Total expenditures and other financing uses	<u>1,695,291</u>	<u>49,833</u>	<u>1,745,124</u>
Excess (deficit) of revenues and other financing sources over expenditures and other other financing uses	143,047	(6,058)	136,989
Fund Balance:			
Beginning of year	<u>330,009</u>	<u>664,470</u>	<u>994,479</u>
End of year	<u>\$ 473,056</u>	<u>\$ 658,412</u>	<u>\$ 1,131,468</u>

See notes to the financial statements.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - GENERAL FUND
For the Year Ended December 31, 1999**

	<u>Actual On GAAP Basis</u>	<u>Adjustments To Budgetary Basis</u>	<u>Actual On Budgetary Basis</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:					
Intergovernmental:					
Share of Jefferson Parish occupational licenses	\$ 1,164,840	\$ -	\$ 1,164,840	\$ 1,164,840	\$ -
Charges for services:					
Loan processing and servicing	80,569	43,775	124,344	127,000	(2,656)
Rent:					
Enterprise Center	59,715	-	59,715	68,400	(8,685)
JEDCO "West"	65,010	9,565	74,575	80,000	(5,425)
Telephone charges:					
Enterprise Center	19,552	-	19,552	29,600	(10,048)
JEDCO "West"	9,565	(9,565)	-	-	-
Interest and Miscellaneous	49,012	-	49,012	18,000	31,012
Restricted donations:	<u>121,300</u>	<u>-</u>	<u>121,300</u>	<u>128,000</u>	<u>(6,700)</u>
Total revenues	1,569,563	43,775	1,613,338	1,615,840	(2,502)
Other financing sources:					
Operating transfers in Forgiveness of debt	43,775	(43,775)	-	-	-
	<u>225,000</u>	<u>-</u>	<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total other financing sources	268,775	(43,775)	225,000	-	225,000
Total revenues and other financing sources	<u>\$ 1,838,338</u>	<u>\$ -</u>	<u>\$ 1,838,338</u>	<u>\$ 1,615,840</u>	<u>\$ 222,498</u>

(Continued)

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - GENERAL FUND (CONTINUED)
For the Year Ended December 31, 1999

	<u>Actual On GAAP Basis</u>	<u>Adjustments To Budgetary Basis</u>	<u>Actual On Budgetary Basis</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Expenditures:					
Current:					
Enterprise Center	\$ 206,581	\$ -	\$ 206,581	\$ 243,600	\$ 37,019
JEDCO "West"	147,281	14,264	161,545	193,000	31,455
Financing the future	264,862	-	264,862	289,700	24,838
Port/transportation	169,079	-	169,079	207,350	38,271
Business outreach	214,745	-	214,745	304,450	89,705
Administrative	380,388	-	380,388	424,292	43,904
Debt service:					
Principal and interest	<u>312,355</u>	<u>(312,355)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,695,291</u>	<u>(298,091)</u>	<u>1,397,200</u>	<u>1,662,392</u>	<u>265,192</u>
Excess of expenditures and other financing uses over revenues and other financing sources	143,047	298,091	441,138	(46,552)	487,690
Fund Balance:					
Beginning of year	<u>330,009</u>	<u>-</u>	<u>330,009</u>	<u>330,009</u>	<u>-</u>
End of year	<u>\$ 473,056</u>	<u>\$ 298,091</u>	<u>\$ 771,147</u>	<u>\$ 283,457</u>	<u>\$ 487,690</u>

See notes to the financial statements.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jefferson Parish Economic Development Commission 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.

The accompanying general-purpose financial statements of JEDCO have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of JEDCO's accounting policies are described below.

A. Financial Reporting Entity

GASB Codification of Governmental Accounting and Financial Reporting Standards established the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criteria for including a governmental organization as a part of the reporting entity for a governmental unit is the ability to exercise oversight responsibility over such organization by the unit's elected officials. Oversight responsibility is derived from, among other things, the governmental unit's power to appoint the governing board and the ability to significantly influence operations.

Based on the foregoing criteria, JEDCO was determined to be a component unit of Jefferson Parish, Louisiana, the governing body with oversight responsibility. The accompanying general-purpose financial statements present information only on the funds maintained by JEDCO 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. There are no component units which have been combined with JEDCO to form the reporting entity, nor are there any potential component units which should be combined with JEDCO to form the reporting entity.

B. Fund Accounting

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

JEDCO maintains two categories of funds: governmental and fiduciary. Each category is further divided into separate fund types.

JEDCO's governmental fund type consists of a General Fund which is used to account for all of its operating activities, and a special revenue fund, known as the EDA Revolving Loan Fund, which is used to account for specific revenues restricted for making loans under the Economic Development Act program ("EDA").

JEDCO's fiduciary fund type consists of four agency funds which are used to account for assets that JEDCO holds for another governmental unit.

C. Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental funds and the agency funds. Under this method, 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.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. Transfers between funds that are not expected to be repaid are accounted for as other financial sources (uses) and are recorded when the interfund receivable and payable arises.

Those revenues susceptible to accrual are, rents charges for telephone usage, revenues for charges for services, and interest on notes and investments. Revenue from shared occupational licenses are considered measurable and available when received and are recorded as revenue at that time.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JEDCO reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by JEDCO before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when JEDCO has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

In 1999, JEDCO received \$121,300 in donations from various sources for the purpose of conducting certain studies (i.e. Jefferson Parish Port Master Plan, Metairie CDB Study, and the Strategic Plan) to benefit the Parish's development. JEDCO intends on funding these studies through both internal sources and through further donations.

D. Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the General Fund. The level of budgetary control is at the fund/department 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 on a basis consistent with generally accepted accounting principles, except for payments on debt service which are included in the budget as current expenditures instead of debt service expenditures. Also, for budget purposes, operating transfers from the special revenue fund to the General fund are included as revenues instead of transfers in. The adopted budget of expenditures operates as an appropriation for that year. Any unexpended balance of the amount appropriated reverts to fund balance and becomes available for future appropriation. Commitments related to unperformed contracts for goods and services (encumbrances) are not recorded as a reservation of fund balance because the amount is immaterial. A budget was not adopted for the special revenue fund because its expenditures are limited by the terms of the grant arrangements under which its revenues are received.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and certificates of deposits with a maturity date within three months of the date acquired by JEDCO.

Louisiana State statutes permit JEDCO to invest in obligations of the United States Government and agencies of the United States Government, which are federally sponsored, 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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted cash and cash equivalents are held for conducting certain studies to benefit the Parish's development. As of December 31, 1999 JEDCO's restricted cash and cash equivalents were \$121,300.

F. Allowance for Estimated Uncollectible Receivables

An allowance for estimated uncollectible receivables is established when collectibility of a loan or an account becomes doubtful. As of December 31, 1999, management has established no allowance for estimated uncollectible receivables and all accounts are considered collectible.

G. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost. Donated fixed assets are valued at their estimated fair market value on the date received. JEDCO does not have any infrastructure assets. Assets in the general fixed asset account group are not depreciated.

H. Compensated Absences

Accumulated annual leave is reported as an expenditure and a fund liability when it is expected to be liquidated from expendable available financial resources. Amounts of accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for those amounts. In accordance with GASB Statement No. 16, no liability is recorded for accumulated sick pay benefits because such benefits can be used only for sick leave.

I. Memorandum Only - Total Column

The total column on the combined balance sheet and combined statement of revenues, expenditures and changes in fund balances - all governmental fund types are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 2 - LEGAL COMPLIANCE - BUDGET

Under state law JEDCO is required to complete and submit a budget for its General Fund 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 expenditures 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 \$250,000 or more. The budget presented in the accompanying general-purpose financial statements is the amended budget which was adopted by the Board of Commissioners.

NOTE 3 - BANK DEPOSITS

At December 31, 1999, the carrying amount of JEDCO's deposits was \$1,238,761 and the bank balances were \$1,255,004. Of the bank balance \$400,000 was covered by federal deposits insurance and \$855,004 was covered by collateral held by the pledging financial institution's agent in JEDCO's name.

NOTE 4 - NOTES RECEIVABLE

Notes receivable consists of loans which were made to businesses located in Jefferson Parish pursuant to the provisions of Title 1 of the Housing and Community Development Act of 1974, as amended, and Title IX of the Public Works and Economic Development Act of 1965, as amended. The loans were made from the special revenue and agency funds established solely for this purpose.

Funding for the Community Development loans was provided by Jefferson Parish from its Community Development Block Grant ("CDBG") fund with funds received from Housing and Urban Development ("HUD"). As a result of defaulted loans under HUD's Section 108 Guaranteed Loan Program as further described in Note 5, HUD suspended in late 1997 additional lending of grant monies to Jefferson Parish. Repayment to HUD will be made by Jefferson Parish in the form of reduced future CDBG grants over 16 years.

Funding for the Economic Development Act loans was provided by grants from the U.S. Department of Commerce, State of Louisiana, and Jefferson Parish. The loans are payable in monthly installments consisting of principal and interest at rates of 5% to 10% over periods ranging from four to twenty years.

All loans are collateralized by a combination of mortgages on property and life insurance policies, and continuing or personal guarantees of the owners of the businesses to which made.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 5 - LEASE PAYMENTS RECEIVABLE

Lease payments receivable consists of amounts payable to JEDCO by a manufacturer under the terms of two lease-purchase agreements executed in 1996. The leased assets consist of two pieces of real property and equipment located in Harahan, Louisiana, all of which JEDCO acquired as a result of default by a manufacturer who had pledged such assets as collateral for two loans under the HUD Section 108 Guaranteed Loan Program. The total minimum lease payments to be received by JEDCO are as follows: for property located at 1008 Elmwood Park Blvd., Harahan, LA, \$1,814,205 (\$95,485 was received in 1999 and the total received to date is \$401,795); for property located at 1209 Distributors Row, Harahan, LA, \$752,500 (\$91,000 was received in 1999 and the total received to date is \$277,500).

The future minimum lease payments to be received as of December 31, 1999 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>1008 Elmwood</u> <u>Park Blvd.</u>	<u>1209 Distributors</u> <u>Row</u>
2000	\$ 90,710	\$ 89,500
2001	<u>1,723,495</u>	<u>663,000</u>
Total	<u>\$1,814,205</u>	<u>\$ 752,500</u>

The payments due in the year 2001 include final balloon payments due on August 1, 2001 of \$1,637,320 for 1008 Elmwood Park Blvd. and \$475,000 for 1209 Distributors Row. The lessee has an option to acquire the leased properties at the conclusion of the lease term for the sum of \$1 or any time by prepaying all rents due under the leases.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 6 - DUE FROM/TO OTHER FUNDS

Due from/to other funds consists of the following interfund receivables/payables at December 31, 1999:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
EDA revolving loan		
special revenue fund	\$ 66,468	\$ -
Special Revenue Fund - EDA		
Revolving Loan	-	66,468
Agency Fund:		
Jefferson Parish HUD 108	6,738	-
Jefferson Parish HUD 108-2	<u>-</u>	<u>6,738</u>
	<u>\$ 73,206</u>	<u>\$ 73,206</u>

NOTE 7 - FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during 1999:

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1999</u>
Land and building (JEDCO "West")	\$ 435,647	\$ -	\$ -	\$ 435,647
Office furniture and equipment	384,168	18,512	25,541	377,139
Leasehold improvements	<u>4,578</u>	<u>-</u>	<u>-</u>	<u>4,578</u>
	<u>\$ 824,393</u>	<u>\$ 18,512</u>	<u>\$ 25,541</u>	<u>\$ 817,364</u>

NOTE 8 - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

Reserved for Studies -- This represents donations received to date and available for the purpose of performing certain studies.

Reservations as of December 31, 1999 are as follows:

	<u>Reserved</u>	<u>Unreserved</u>	
		<u>Designated</u>	<u>Undesignated</u>
General Fund	<u>\$121,300</u>	<u>\$ -</u>	<u>\$ 351,756</u>
	<u>\$121,300</u>	<u>\$ -</u>	<u>\$ 351,756</u>
Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,412</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,412</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 9 - PENSION PLAN

JEDCO's employees are covered by JEDCO's simplified employee pension (SEP) plan and are not subject to social security taxes. JEDCO annually makes a contribution to an IRA account established for each full-time employee. The amount contributed by JEDCO is 6.2% of the employee's total compensation. JEDCO's total contribution under this plan for 1999 was \$43,886 based on a covered payroll of \$720,310. JEDCO's total current year payroll for all employees was \$727,889.

NOTE 10 - NOTES PAYABLE IN AGENCY FUNDS

During 1999, Jefferson Parish restructured the HUD Section 108 loan. As a result, notes payable in the Jefferson Parish HUD 108 and 108-2 Agency Funds are payable to the order of the registered holders in annual installments with interest at varying rates as follows:

Maturity Date <u>August 1</u>	Interest Rate	<u>Series 1991-A</u> Principal Amount	<u>Series 1996-A</u> Principal Amount	<u>Total</u> Principal Amount
2000	5.19%	\$ 310,000	\$ -	\$ 310,000
2001	5.30%	330,000	-	330,000
2002	5.40%	350,000	-	350,000
2003	5.50%	255,000	115,000	370,000
2004	5.58%	230,000	165,000	395,000
2005	5.67%	260,000	165,000	425,000
2006	5.75%	280,000	165,000	445,000
2007	5.78%	315,000	165,000	480,000
2008	5.83%	340,000	165,000	505,000
2009	5.96%	375,000	165,000	540,000
2010	6.06%	410,000	165,000	575,000
2011	6.16%	-	165,000	165,000
2012	6.26%	-	175,000	175,000
2013	6.33%	-	185,000	185,000
2014	6.41%	-	195,000	195,000
		<u>\$3,455,000</u>	<u>\$1,990,000</u>	<u>\$5,445,000</u>

Interest is payable semi-annually on February 1 and August 1 and notes are guaranteed by HUD under its Section 108 program.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 11 - OPERATING LEASE

JEDCO leases the third floor of an office building which it uses for its administrative office and Enterprise Center operations. The lease is considered an operating lease for accounting purposes. The lease term is for ten years expiring in 2005. Lease payments under the lease for the year ended December 31, 1999 were \$144,000. Minimum future annual lease payments required for the five years following December 31, 1999 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2000	\$ 144,000
2001	146,553
2002	151,660
2003	151,660
2004	153,660
Thereafter	<u>105,107</u>
	<u>\$ 852,640</u>

NOTE 12 - CAPITAL LEASE

JEDCO entered into a lease agreement for the purchase of computers. The lease term began December 2, 1997 for a term of three years with annual payments of \$12,652.

The following is a schedule of future minimum lease payments at December 31, 1999 recorded in the General Long-Term Debt Account Group:

2000	\$ 12,704
Less amount representing interest	<u>(52)</u>
Present value of future minimum lease payments	<u>\$ 12,652</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 13 - LONG-TERM DEBT

During the year ended December 31, 1999, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

	Balance January 1, <u>1999</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>1999</u>
Compensated absences	\$ 27,701	\$ 16,185	\$ 4,714	\$ 39,172
Capital lease	27,204	-	14,500	12,704
Loan payable to Jefferson Parish	300,000	-	300,000	-
Loan payable	<u>43,560</u>	<u>-</u>	<u>9,888</u>	<u>33,672</u>
	<u>\$ 398,465</u>	<u>\$ 16,185</u>	<u>\$ 329,102</u>	<u>\$ 85,548</u>

The loan payable to Jefferson Parish was a non-interest bearing loan in the original amount of \$500,000. The proceeds of the loan were used for renovation of a building owned by Jefferson Parish and used by JEDCO until the latter part of 1995 for its small business incubator, referred to by JEDCO as the Enterprise Center. The loan was to be paid back with payments of \$75,000 each year.

During fiscal year 1999, one payment of \$75,000 was made on this loan and the remaining balance of \$225,000 owed to Jefferson Parish was forgiven by Council Resolution Number 89644 dated June 23, 1999.

In August 1996, JEDCO borrowed \$110,000 from a local bank and used the proceeds of this loan to pay in full \$110,000 of Certificates of Indebtedness. In 1997, JEDCO refinanced the note for \$52,827 and paid \$50,000 towards the note. This loan is payable in 60 monthly installments of \$1,027 with an interest rate of 6.25% and is collateralized by the pledge and dedication of the anticipated revenues of JEDCO.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 13 - LONG-TERM DEBT (CONTINUED)

The annual principal maturities of JEDCO's loan at December 31, 1999 is summarized as follows:

<u>Year ending</u> <u>December 31</u>	<u>Loan</u> <u>Payable</u>
2000	\$ 10,525
2001	11,201
2002	<u>11,946</u>
	<u>\$ 33,672</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 14 - COMBINING BALANCE SHEET OF AGENCY FUNDS

The following is the combining balance sheet of the agency funds at December 31, 1999:

	HUD Revolving Loan	HUD Venture Capital Fund	Jefferson Parish HUD 108 Fund	Jefferson Parish HUD 108-2 Fund	Total
Assets:					
Cash and cash equivalents	\$ 149,153	\$ 75,978	\$ -	\$ -	\$ 225,131
Notes receivable	196,889	116,994	-	-	313,883
Lease payments receivable	-	-	1,814,205	752,500	2,566,705
Due from Jefferson Parish Department of Community Development	-	-	1,715,476	1,293,694	3,009,170
Due from HUD 108-2 Fund	<u>-</u>	<u>-</u>	<u>6,738</u>	<u>-</u>	<u>6,738</u>
Total assets	<u>\$ 346,042</u>	<u>\$ 192,972</u>	<u>\$ 3,536,419</u>	<u>\$ 2,046,194</u>	<u>\$ 6,121,627</u>
Liabilities:					
Accrued interest payable	\$ -	\$ -	\$ 81,419	\$ 49,456	\$ 130,875
Due to Jefferson Parish Department of Community Development	346,042	192,972	-	-	539,014
Due to HUD 108 Fund	-	-	-	6,738	6,738
Notes payable	<u>-</u>	<u>-</u>	<u>3,455,000</u>	<u>1,990,000</u>	<u>5,445,000</u>
Total liabilities	<u>\$ 346,042</u>	<u>\$ 192,972</u>	<u>\$ 3,536,419</u>	<u>\$ 2,046,194</u>	<u>\$ 6,121,627</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 15 - CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS

The following summarizes the changes in the assets and liabilities of the agency funds during 1999.

	HUD Revolving Loan Fund			
	Balance January 1, 1999	Additions	Reductions	Balance December 31, 1999
Assets:				
Cash and cash equivalents	\$ 124,418	\$ 24,735	\$ -	\$ 149,153
Notes receivable	208,094	-	11,205	196,889
Total assets	\$ 332,512	\$ 24,735	\$ 11,205	\$ 346,042
Liabilities:				
Due to Jefferson Parish Department of Community Development:				
Drawdowns	\$ 279,781	\$ -	\$ -	\$ 279,781
Net income	52,731	13,530	-	66,261
Total liabilities	\$ 332,512	\$ 13,530	\$ -	\$ 346,042

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

**NOTE 15 - CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS
(CONTINUED)**

	HUD Venture Capital Fund			
	Balance January 1, 1999	Additions	Reductions	Balance December 31, 1999
Assets:				
Cash and cash equivalents	\$ 59,467	\$ 16,511	\$ -	\$ 75,978
Notes receivable	<u>125,201</u>	<u>-</u>	<u>8,207</u>	<u>116,994</u>
Total assets	<u>\$ 184,668</u>	<u>\$ 16,511</u>	<u>\$ 8,207</u>	<u>\$ 192,972</u>
 Liabilities:				
Due to Jefferson Parish, Department of Community Development:				
Drawdowns	\$ 146,000	\$ -	\$ -	\$ 146,000
Net income	<u>38,668</u>	<u>8,304</u>	<u>-</u>	<u>46,972</u>
Total liabilities	<u>\$ 184,668</u>	<u>\$ 8,304</u>	<u>\$ -</u>	<u>\$ 192,972</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

**NOTE 15 - CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS
(CONTINUED)**

	Jefferson Parish HUD 108 Fund			
	Balance January 1, 1999	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 1999
Assets:				
Lease payments receivable	\$1,909,690	\$ -	\$ 95,485	\$1,814,205
Due from Jefferson Parish HUD 108-2 Agency Fund	6,738	-	-	6,738
Due from Jefferson Parish, Department of Community Development	<u>1,663,713</u>	<u>51,763</u>	<u>-</u>	<u>1,715,476</u>
Total assets	<u>\$3,580,141</u>	<u>\$ 51,763</u>	<u>\$ 95,485</u>	<u>\$3,536,419</u>
Liabilities:				
Accrued interest payable	\$ 125,141	\$ 81,419	\$ 125,141	\$ 81,419
Escrow deposits and other notes payable (Series 1991-A)	<u>3,455,000</u>	<u>-</u>	<u>-</u>	<u>3,455,000</u>
Total liabilities	<u>\$3,580,141</u>	<u>\$ 81,419</u>	<u>\$ 125,141</u>	<u>\$3,536,419</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1999

NOTE 15 - CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS (CONTINUED)

	<u>Jefferson Parish HUD 108-2 Fund</u>			
	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 1999</u>
Assets:				
Lease payments receivable	\$ 843,500	\$ -	\$ 91,000	\$ 752,500
Due from Jefferson Parish Department of Community Development	<u>1,209,862</u>	<u>83,832</u>	<u>-</u>	<u>1,293,694</u>
Total assets	<u>\$ 2,053,362</u>	<u>\$ 83,832</u>	<u>\$ 91,000</u>	<u>\$ 2,046,194</u>
Liabilities:				
Accrued interest payable	\$ 56,623	\$ 49,456	\$ 56,623	\$ 49,456
Due to General Fund	1	-	1	-
Due to Jefferson Parish HUD 108 Agency Fund	6,738	-	-	6,738
Notes payable (Series 1996-A)	<u>1,990,000</u>	<u>-</u>	<u>-</u>	<u>1,990,000</u>
Total liabilities	<u>\$ 2,053,362</u>	<u>\$ 49,456</u>	<u>\$ 56,624</u>	<u>\$ 2,046,194</u>

NOTE 16 - CONTRIBUTED SERVICES

The 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.

NOTE 17 - SUBSEQUENT EVENT

In February 2000, the Jefferson Parish Council passed Resolution Number 91136 which authorizes the Parish Council Chairman to negotiate and sign a settlement agreement in regards to the two leased properties located at 1008 Elmwood Park Boulevard and 1209 Distributor Row, as mentioned in Note 5. On February 29, 2000, the Lessee signed an "Exercise of Option to Purchase" agreement for the present value of the future lease payments remaining on the properties. The negotiated price is \$1,989,089 and the lease receivable at December 31, 1999 is \$2,566,705 with the remainder due from Jefferson Parish. The Exercise of Option to Purchase requires that the closing between the two parties occur within 60 days of the signing and allows either party to revoke the agreement.

SUPPLEMENTAL INFORMATION

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET - GENERAL FUND
For the Year Ended December 31, 1999

	Actual On GAAP Basis	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Budget	Variance - Favorable (Unfavorable)
Enterprise Center					
Advertising and promotion	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
Dues and subscriptions	195	-	195	200	5
Furniture and equipment rental	79,138	-	79,138	73,400	(5,738)
Health benefits and taxes	12,314	-	12,314	18,400	6,086
Office supplies	3,284	-	3,284	7,500	4,216
Miscellaneous	825	-	825	1,100	275
Staff salaries	78,423	-	78,423	104,000	25,577
Travel milcage	2,072	-	2,072	2,000	(72)
Communication	<u>30,330</u>	<u>-</u>	<u>30,330</u>	<u>36,000</u>	<u>5,670</u>
Total Enterprise Center	<u>206,581</u>	<u>-</u>	<u>206,581</u>	<u>243,600</u>	<u>37,019</u>
JEDCO "West"					
Building expenditures:					
Custodial and building supplies	8,400	-	8,400	9,000	600
General maintenance	7,220	-	7,220	11,000	3,780
Insurance	10,703	-	10,703	11,000	297
Utilities	<u>19,046</u>	<u>-</u>	<u>19,046</u>	<u>25,000</u>	<u>5,954</u>
	<u>45,369</u>	<u>-</u>	<u>45,369</u>	<u>56,000</u>	<u>10,631</u>
Incubator program expenditures:					
Advertising and promotion	727	-	727	2,500	1,773
Communications	34,960	-	34,960	40,000	5,040
Contract services	2,951	-	2,951	4,000	1,049
Dues and subscriptions	270	-	270	300	30
Health benefits and taxes	8,453	-	8,453	9,000	547
Miscellaneous	1,126	-	1,126	2,800	1,674
Office supplies	5,299	-	5,299	6,000	701
Staff salaries	39,525	-	39,525	51,000	11,475
Travel and entertainment	159	-	159	2,000	1,841
Office and equipment rental	<u>8,442</u>	<u>-</u>	<u>8,442</u>	<u>6,400</u>	<u>(2,042)</u>
	<u>101,912</u>	<u>-</u>	<u>101,912</u>	<u>124,000</u>	<u>22,088</u>
Debt service	<u>-</u>	<u>14,264</u>	<u>14,264</u>	<u>13,000</u>	<u>(1,264)</u>
Total JEDCO "West"	<u>147,281</u>	<u>14,264</u>	<u>161,545</u>	<u>193,000</u>	<u>31,455</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET - GENERAL FUND
(CONTINUED)

For the Year Ended December 31, 1999

	Actual On GAAP Basis	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Budget	Variance - Favorable (Unfavorable)
Financing The Future					
Advertising and promotion	\$ 893	\$ -	\$ 893	\$ 1,400	\$ 507
Dues and subscriptions	4,648	-	4,648	4,500	(148)
Health benefits and taxes	25,513	-	25,513	27,000	1,487
Office and equipment rental	28,452	-	28,452	28,000	(452)
Office supplies	2,956	-	2,956	4,000	1,044
Postage and copying	2,613	-	2,613	2,700	87
Staff salaries	188,805	-	188,805	205,000	16,195
Training/seminars	3,529	-	3,529	5,000	1,471
Travel mileage	3,721	-	3,721	7,100	3,379
Communication	3,732	-	3,732	5,000	1,268
Total Financing the Future	<u>264,862</u>	<u>-</u>	<u>264,862</u>	<u>289,700</u>	<u>24,838</u>
Port/Transportation					
Advertising	500	-	500	500	-
Communications	4,219	-	4,219	4,000	(219)
Dues and subscriptions	1,551	-	1,551	1,500	(51)
Health benefits and taxes	9,170	-	9,170	11,700	2,530
Office and equipment rental	14,017	-	14,017	14,150	133
Office supplies	1,985	-	1,985	2,500	515
Postage and copying	2,204	-	2,204	2,500	296
Project development	50,548	-	50,548	54,500	3,952
Staff salaries	78,691	-	78,691	79,000	309
Travel mileage	6,194	-	6,194	9,500	3,306
Economic Impact Study	-	-	-	12,500	12,500
Canal Obstruction Study	-	-	-	15,000	15,000
Total Business Recruitment	<u>169,079</u>	<u>-</u>	<u>169,079</u>	<u>207,350</u>	<u>38,271</u>
Business Outreach					
Data base analysis	328	-	328	3,000	2,672
Health benefits and taxes	18,567	-	18,567	23,100	4,533
Communication	3,974	-	3,974	5,000	1,026
Office and equipment rental	14,164	-	14,164	14,150	(14)
Office supplies	4,722	-	4,722	10,200	5,478
Staff salaries	126,806	-	126,806	141,000	14,194
Travel mileage	5,411	-	5,411	11,000	5,589
Strategic plan expense	40,773	-	40,773	97,000	56,227
Total Business Outreach	<u>214,745</u>	<u>-</u>	<u>214,745</u>	<u>304,450</u>	<u>89,705</u>

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET - GENERAL FUND
(CONTINUED)**

For the Year Ended December 31, 1999

	Actual On GAAP Basis	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Budget	Variance - Favorable (Unfavorable)
Administration					
Accounting/audit	\$ 10,622	\$ -	\$ 10,622	\$ 12,000	\$ 1,378
Business development	26,325	-	26,325	25,542	(783)
Commissioners' meetings	1,422	-	1,422	5,000	3,578
Communications	8,336	-	8,336	14,500	6,164
Health benefits and taxes	23,191	-	23,191	28,300	5,109
Insurance	19,455	-	19,455	20,600	1,145
Consultant services	-	-	-	7,500	7,500
Miscellaneous/relocation expense	17,765	-	17,765	21,000	3,235
Office and equipment rental	35,881	-	35,881	51,150	15,269
Professional development	3,186	-	3,186	4,700	1,514
Seminars/conventions	2,675	-	2,675	2,500	(175)
Staff salaries	211,777	-	211,777	211,500	(277)
Office supplies	12,361	-	12,361	11,000	(1,361)
Travel/mileage	7,392	-	7,392	9,000	1,608
Debt Service:					
Principal	<u>300,000</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Administration	<u>680,388</u>	<u>(300,000)</u>	<u>380,388</u>	<u>424,292</u>	<u>43,904</u>
Renovations and capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service - JEDCO "West"					
Interest and fees	2,467	(2,467)	-	-	-
Principal	<u>9,888</u>	<u>(9,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service JEDCO "West"	<u>12,355</u>	<u>(12,355)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$1,695,291</u>	<u>\$(298,091)</u>	<u>\$1,397,200</u>	<u>\$1,662,392</u>	<u>\$ 265,192</u>

REQUIRED SUPPLEMENTARY INFORMATION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

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

Board of Commissioners
Jefferson Parish Economic Development Commission
Jefferson Parish, Louisiana

We have audited the general-purpose financial statements of **Jefferson Parish Economic Development Commission ("JEDCO")**, a component unit of Jefferson Parish, Louisiana as of and for the year ended December 31, 1999 and have issued our report thereon dated February 11, 2000, except Note 17, which is dated February 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **JEDCO's** general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of **JEDCO** in a separate letter dated February 11, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **JEDCO's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the

internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of JEDCO, in a separate letter dated February 11, 2000.

This report is intended solely for the information and use of the Audit Committee, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Rebowe & Company

February 11, 2000

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MEMORANDUM OF ADVISORY COMMENTS
JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
For the Year Ended December 31, 1999

TABLE OF CONTENTS

	<u>Page</u>
INTERNAL CONTROL STRUCTURE AND RELATED MATTERS	
Auditors' Letter	1
Current Year Memorandum of Advisory Comments and Corrective Action Plan	2
Status of Prior Year Memorandum of Advisory Comments	4

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3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

Board of Commissioners
Jefferson Parish Economic Development Commission
Jefferson Parish, Louisiana

We have audited the general-purpose financial statements of the **Jefferson Parish Economic Development Commission** ("JEDCO"), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated February 11, 2000, except Note 17, which is dated February 29, 2000. As part of our audit we considered JEDCO's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting.

However, during our audit we became aware of several matters that are opportunities for strengthening JEDCO's internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our findings and recommendations regarding those matters. Our consideration of the internal control over financial reporting has been reported on in a separately issued report entitled *Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated February 11, 2000.

We have already discussed many of these findings and recommendations with you and have included your response. We will review the status of these matters during our next audit engagement. We will be pleased to discuss our recommendations in further detail at your convenience, perform any additional study of these matters, or assist you in implementing our recommendations.

This report is intended solely for the information and use of JEDCO's Audit Committee, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties.

Rebowe & Company

February 11, 2000

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MEMORANDUM OF ADVISORY COMMENTS (CONTINUED)
For the Year Ended December 31, 1999**

Current Year Memorandum of Advisory Comments and Corrective Action Plan:

Finding 99-1:

JEDCO currently invest its surplus funds in certificates of deposit ("CDs"). JEDCO currently maintains their CDs at multiple financial institutions to maintain Federal Deposit Insurance Corporation insurance coverage. JEDCO earned an average rate of return of approximately 4.5% on its CDs in 1999.

Recommendation:

We recommend that JEDCO review its investment policy and LSA-RS 33:2955 to determine if a higher rate of return on its investments can be obtained and a reduced risk of under insured investments.

Corrective Action Plan:

JEDCO is presently researching the Louisiana Asset Management Pool ("LAMP") as a potential investment tool. LAMP earned an average rate of return in 1999 of approximately 5.4%. JEDCO will make a decision on its investment strategy in fiscal year 2000. Cynthia Grows, Controller (504) 833-1881 Ext. 349

Finding 99-2:

In June 1999, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 34 "Basic Financial Statements" effective for fiscal year ended December 31, 2004. GASB Statement No. 34 establishes new financial reporting requirements for both state and local governments. When implemented, it will restructure much of the financial information that governments have presented in the past. GASB Statement No. 34 was developed to make annual reports more comprehensive and easier for the reader to understand.

GASB Statement No. 34 requires that JEDCO significantly change the way it reports its financial data. The most significant changes will be that JEDCO will report financial information for all governmental fund types utilizing the full accrual method of accounting (transactions recorded as they occur) as opposed to the modified accrual method (transactions recorded when both measurable and available as current spendable resources) currently used. JEDCO will depreciate all capital assets and eliminate both the General Fixed Asset Accounting Group "GFAAG" and the General Long-Term Debt Accounting Group "GLTAG". JEDCO will present dual financial statements with presentation of both "Government-wide Financial Statements" and the

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MEMORANDUM OF ADVISORY COMMENTS (CONTINUED)
For the Year Ended December 31, 1999**

**Current Year Memorandum of Advisory Comments and Corrective Action Plan
(Continued):**

traditional "Fund Financial Statements". JEDCO will also be required to eliminate all interfund transactions, including interfund loans, interfund services provided and used, and interfund transfers. Although the full effect of GASB Statement No. 34 will not be known until its implementation, the effects of these reporting changes could cause funds currently in a surplus position to report deficit fund balances.

Recommendation:

JEDCO should become familiar with this statement to identify reporting issues that may prove particularly troublesome.

Corrective Action Plan:

JEDCO will begin to implement GASB No. 34 for the required effective date. Cynthia Grows, Controller (504) 833-1881 Ext. 349

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MEMORANDUM OF ADVISORY COMMENTS
For the Year Ended December 31, 1999**

Status of Prior Year Memorandum of Advisory Comments:

Finding 98-1:

JEDCO invest in certain investments such as short-term certificates of deposits. These investments are purchased and redeemed upon the signature of the Controller and the Executive Director and requires no concurrence by the Board of Commissioners.

Recommendation:

All investment decisions should be approved by the Board of Commissioners and activities related to these investments should be documented in the Board minutes.

Corrective Action Plan:

The Board has taken action requiring all investing activities to be approved by them. Cleared.

Finding 98-2:

We have made limited inquiries of management regarding activities by JEDCO to address the Year 2000 issue and as to whether or not the computer hardware and software utilized by JEDCO is Year 2000 compliant. Our audit of the JEDCO financial statements for the year ended December 31, 1998, did not provide any assurance that JEDCO's computer system or any other systems, such as JEDCO's vendors, and service providers are Year 2000 compliant, nor did we perform any procedures to test whether JEDCO's system or any other systems are Year 2000 compliant or whether the plans and activities of JEDCO are sufficient to address and correct the systems or any other problems that might arise because of the Year 2000. Accordingly, we have not express any opinion or provide any other assurances regarding the Year 2000.

Based on our discussions with management, management believes it has sufficiently addressed any potential year 2000 problems.

Recommendation:

JEDCO should continue to monitor and address the Year 2000 problem.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MEMORANDUM OF ADVISORY COMMENTS (CONTINUED)
For the Year Ended December 31, 1999**

Status of Prior Year Memorandum of Advisory Comments (Continued):

Corrective Action Plan:

JEDCO recently replaced all of its computer equipment with Year 2000 compliant equipment. JEDCO has received assurances from the manufacturer of this equipment that the system is Year 2000 compliant. Jefferson Parish collects occupational license fees on behalf of JEDCO. JEDCO believes that Jefferson Parish is responsible for remediating its collection system. Cleared.

Finding 98-3:

Louisiana Revised Statute Section 42:1112 prohibits any public servant from participating in a transaction in which he or any member of his immediate family has a substantial economic interest. JEDCO did not have a formal procedure in place to detect and monitor related-party transactions. During our audit we noted no transactions/relationships which we would consider to be a violation.

Recommendation:

JEDCO should implement procedures to detect and monitor related party transactions as defined by Louisiana Revised Statutes similar to procedures currently used by Jefferson Parish.

Corrective Action Plan:

JEDCO will begin implementing similar procedures in 1999. Cleared.