

Jefferson Parish Economic Development Commission
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year ended December 31, 1986

	General Fund	Special Revenues Fund	Total (Memorandum Only)
Revenues:			
Intergovernmental:			
Share of Jefferson Parish occupational licenses	\$1,087,400	\$ -0-	\$1,087,400
Charges for services	87,913	920	88,833
Enterprise Center and JEDCO "West" rents and telephone charges	131,051	-0-	131,051
Interest	15,786	46,315	62,101
Miscellaneous	<u>14,168</u>	<u>-0-</u>	<u>14,168</u>
Total revenues	1,336,318	47,235	1,383,553
Other financing sources:			
Proceeds of long-term debt capitalized lease	110,000	-0-	110,000
Sale of vehicle and equipment	6,800	-0-	6,800
Operating transfers in	1,710	-0-	1,710
	<u>47,510</u>	<u>-0-</u>	<u>47,510</u>
Total revenues and other financing sources	1,501,858	47,235	1,549,093
Expenditures:			
Current:			
Enterprise Center	129,417	-0-	129,417
JEDCO "West"	210,388	-0-	210,388
Financing the future	332,902	-0-	332,902
Business recruitment	325,656	-0-	325,656
Business outreach	374,854	-0-	374,854
Administrative	301,458	-0-	301,458
Provision for estimated loss on note receivable	-0-	57,000	57,000
Depreciation and capital outlay	43,257	-0-	43,257
Debt service:			
Principal	112,327	-0-	112,327
Interest	<u>3,363</u>	<u>-0-</u>	<u>3,363</u>
Total expenditures	1,604,488	57,000	1,661,488
Other financing uses:			
Operating transfers out	-0-	47,235	47,235
Total expenditures and other financing uses	1,584,488	104,235	1,728,693
Excess of expenditures and other financing uses over revenues and other financing sources			
	(144,933)	(57,000)	(201,933)
Fund balance at beginning of year	<u>172,282</u>	<u>701,462</u>	<u>873,744</u>
Fund balance at end of year	\$ <u>27,349</u>	\$ <u>701,462</u>	\$ <u>728,811</u>

The accompanying notes are an integral part of this statement.

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1994

NOTE F - DUE FROM/TO OTHER FUNDS - continued

	Due from other funds	Due to other funds
General Fund:		
IMA revolving loan		
special revenue fund	\$ 15,894	\$ -
Jefferson Parish		
MSD 108-3 agency fund	1	-
Special Revenue Fund - IMA		
Revolving loan	-	15,894
Agency Funds:		
Jefferson Parish MSD 100	90,500	-
Jefferson Parish MSD 108-3	<u>-</u>	<u>90,500</u>
	<u>\$106,395</u>	<u>\$106,394</u>

NOTE G - FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during the current year.

	Balance			Additions	Deductions	Balance	
	January 1, 1994	Additions	Deductions			December 31, 1994	1994
Land and building (MSD "A"*)	\$25,000	-	-	-	-	-	
Office furniture and equipment	28,115	5,000	15,000	-	-	18,115	
Leased improvements	-	-	-	-	-	-	
Vehicle	2,000	2,000	11,000	-	-	3,000	
	<u>\$35,115</u>	<u>\$7,000</u>	<u>\$26,000</u>	<u>\$-</u>	<u>\$-</u>	<u>\$14,115</u>	

NOTE H - PENSION PLAN

JEDCO's permanent employees are covered by JEDCO's simplified employee pension (SEP) plan and are not subject to social security taxes. Temporary employees are subject to social security taxes effective July 1, 1991. JEDCO annually makes a contribution to an IRA account established for each permanent employee. The amount contributed by JEDCO is 6.5% of the employee's total compensation. JEDCO's total contribution under this plan for 1994 was \$49,435 based on a covered payroll of \$760,654. JEDCO's total current year payroll for all employees was \$820,436.

NOTE I - DEFERRED COMPENSATION PLAN

In May 1994, JEDCO established a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. The plan is available to JEDCO's employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets of compensation deferred under the plan, all property and rights purchased with those assets, and all income attributable to those assets, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of JEDCO (without being restricted to the

SUPPLEMENTAL INFORMATION

2477

STAMPED DATE: 12 15 1996



JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION
JEFFERSON, LOUISIANA

ANNUAL FINANCIAL REPORT

December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: 1/11/1997

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Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of Jefferson Parish Economic Development Commission taken as a whole. The accompanying supplemental information on pages 28 through 30 are presented for the purposes of additional analysis and are not a required part of the general-purpose financial statements of Jefferson Parish Economic Development Commission. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is presented fairly in all material respects in relation to the general-purpose financial statements taken as a whole.

Lyee, Butler, Arcelaux & Bowen

Harvey, Louisiana
March 31, 1997

Jefferson Parish Economic Development Commission
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

	Governmental Fund Type		Primary Fund Type	Special Taxes		Total (Prior years - 1998)
	General	Special Services	General	General (Land Acquis)	General (Long Term Debt)	
ASSETS AND OTHER DEBITS						
Assets:						
Cash	\$ 97,799	\$ 297,744	\$ 228,790	\$ -	\$ -	\$ 624,333
Investments	-	-	124,774	-	-	124,774
Receivables, net of allowance for uncollectible receivables						
Taxes	-	271,865	249,329	-	-	521,194
Taxes payable	-	-	1,726,588	-	-	1,726,588
Interest	-	1,500	2,877	-	-	4,377
Miscellaneous	1,543	-	-	-	-	1,543
Due from other funds	75,895	-	39,500	-	-	115,395
Intergovernmental receivable	-	-	1,411,222	-	-	1,411,222
Fixed assets	-	-	-	841,417	-	841,417
Other debits:						
Amount to be provided for payment of general long-term debt	-	-	-	-	425,228	-425,228
Total assets and other debits	\$ 269,137	\$ 569,109	\$ 1,615,229	\$ 841,417	\$ 425,228	\$ 3,119,111
LIABILITIES, DEFERRED ASSETS AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 45,877	\$ -	\$ 2,490	\$ -	\$ -	\$ 48,367
Accrued pension plan contributions	70,000	-	-	-	-	70,000
Accrued interest payable	-	-	228,558	-	-	228,558
Compensated absences payable	-	-	-	-	14,820	14,820
Intergovernmental payable	-	-	249,877	-	-	249,877
Due to other funds	-	75,895	39,500	-	-	115,395
Income tax payable	15,000	1,000	749	-	-	16,749
Capital lease payable	-	-	-	-	4,344	4,344
Bonds payable	-	-	4,478,622	-	-	4,478,622
Loan payable to Jefferson Parish	-	-	-	-	125,000	125,000
Management note payable	-	-	-	-	124,774	124,774
Deferred compensation benefits payable	-	-	124,774	-	-	124,774
Total liabilities	\$ 135,877	\$ 76,895	\$ 4,812,223	\$ -	\$ 425,228	\$ 5,449,223
Equity and other credits:						
Investment in general fund assets	-	-	-	841,417	-	841,417
Fund balance - governmental, unassigned	26,260	292,214	-	-	-	318,474
Total equity and other credits	\$ 26,260	\$ 292,214	\$ -	\$ 841,417	\$ -	\$ 1,279,985
Total liabilities, equity and other credits	\$ 269,137	\$ 569,109	\$ 1,615,229	\$ 841,417	\$ 425,228	\$ 3,119,111

The accompanying notes are an integral part of this statement.

Jefferson Parish Economic Development Commission
GENERAL FUND
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET - CONTINUED
Year Ended December 31, 1968

	Actual in 1968 Dollars	Adjustment to Subsidiary Dollars	Total of Subsidiary Dollars	Budget	Variance favorable (unfavorable)
Outgoing communications:					
Leaflet salaries	\$ 86,915	\$ -0-	\$ 86,915	\$ 86,200	\$ 7,015
Leaflet benefits and taxes	12,460	-0-	12,460	12,200	2,000
Office and equipment rental	18,811	-0-	18,811	42,200	(23,389)
Office supplies	16,417	-0-	16,417	12,200	4,217
Postage and copying	7,437	-0-	7,437	7,200	237
News and industry updates	4,897	-0-	4,897	4,200	697
Miscellaneous	22,440	-0-	22,440	24,200	(1,760)
Project development	7,211	-0-	7,211	17,200	(9,989)
Travel mileage	26,862	-0-	26,862	11,200	15,662
	<u>226,430</u>	<u>-0-</u>	<u>226,430</u>	<u>231,400</u>	<u>(4,970)</u>
Business out reach:					
Leaflet salaries	108,426	-0-	108,426	114,200	(5,774)
Leaflet benefits and taxes	22,799	-0-	22,799	22,200	5,999
Newsletter	71,205	-0-	71,205	12,200	59,005
Identification and promotion	22,200	-0-	22,200	12,200	10,000
Office and equipment rental	22,200	-0-	22,200	42,200	(20,000)
Office supplies	7,200	-0-	7,200	7,200	0
Data base analysis	300	-0-	300	300	0
Travel mileage	12,200	-0-	12,200	22,200	(10,000)
	<u>287,330</u>	<u>-0-</u>	<u>287,330</u>	<u>268,400</u>	<u>18,930</u>
Administration:					
Leaflet salaries	170,222	-0-	170,222	177,200	(7,078)
Leaflet benefits and taxes	21,780	-0-	21,780	22,200	(420)
Office and equipment rental	41,200	-0-	41,200	32,200	9,000
Accounting/audit	4,200	-0-	4,200	4,200	0
Business development	4,200	-0-	4,200	7,200	(3,000)
Committee members' meetings	1,200	-0-	1,200	2,200	(1,000)
Contracts/commitments	4,200	-0-	4,200	7,200	(3,000)
Insurance	12,200	-0-	12,200	11,200	1,000
Professional development	2,200	-0-	2,200	700	1,500
Miscellaneous	12,200	-0-	12,200	22,200	(10,000)
	<u>305,122</u>	<u>-0-</u>	<u>305,122</u>	<u>328,400</u>	<u>(23,278)</u>
Excavation and capital outlay	<u>41,200</u>	<u>16,800</u>	<u>26,400</u>	<u>26,400</u>	<u>0</u>
Other services - JEED Fund's					
Principal	70,200	170,200	-0-	-0-	0
Interest and fees	4,200	(4,200)	-0-	-0-	0
	<u>74,400</u>	<u>166,000</u>	<u>-0-</u>	<u>-0-</u>	<u>0</u>
Total expenditures	<u>\$ 1,426,420</u>	<u>\$ 116,800</u>	<u>\$ 1,543,220</u>	<u>\$ 1,522,200</u>	<u>\$ 21,020</u>

noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operations that we consider to be material weaknesses as defined above. This report is intended for the information of the Board of Commissioners, management, and Louisiana Legislative auditor. However, this report is a matter of public record and its distribution is not limited.

Galt, Baker, Andrews & Bowen
Harvey, Louisiana
March 31, 1993

accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that Federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements - Political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition, Federal financial reports, allowable costs/cost principles, drug-free workplace and administrative.

Specific Requirements - Types of services allowed or unallowed, eligibility, matching, reporting and special requirements.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1990, JERCO expended 100 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to JERCO's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners
Jefferson Parish Economic Development Commission

We have audited the general-purpose financial statements of Jefferson Parish Economic Development Commission (JEDCO), Jefferson, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 21, 1997. We have also audited JEDCO's compliance with requirements applicable to its major federal financial assistance programs and have issued our report thereon dated March 21, 1997.

We conducted our audits in accordance with generally accepted auditing standards; **GOVERNMENT AUDITING STANDARDS**, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-120, **ADITS OF STATE AND LOCAL GOVERNMENTS**. Those standards and OMB Circular A-120 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether JEDCO, compiled with laws and regulations, noncompliance with which would be material to its major federal financial assistance programs.

In planning and performing our audit for the year ended December 31, 1996, we considered JEDCO's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on JEDCO's general-purpose financial statements, and on the compliance of JEDCO with requirements applicable to its major programs, and to report on the internal control structure in accordance with OMB Circular A-120. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated March 21, 1997.

The management of JEDCO, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are recorded in

Jefferson Parish Economic Development Commission
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1998

7. FIXED ASSETS

General fixed assets are not capitalized in the fund 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 stated at cost. Donated fixed assets are stated at their estimated fair market value on the date received. JEDCO does not have any infrastructure assets. Depreciation is not recorded on general fixed assets.

8. 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 expenditures are reported for these 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.

9. INTERFUNDIBLE DEBTS - TOTAL COLUENS

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 do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - 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 on August 29, 1998. In that budget the total proposed expenditures exceeded the total estimated funds available by \$40,530.

NOTE C - BANK DEPOSITS

At December 31, 1998, the carrying amount of JEDCO's deposits was \$710,820 and the bank balances were \$714,992. Of the bank balances \$304,270 was covered by Federal deposit insurance and, \$410,722 was covered by collateral held by the pledging financial institution's agent in JEDCO's name.

Jefferson Parish Economic Development Commission
GENERAL FUND
STATEMENT OF REVENUES - ACTUAL AND BUDGET
Year ended December 31, 1996

	Actual on BAP Fund	Adjusted to Budgetary basis	Actual on Budgetary Basis	Budget	Percent Excess/Deficit
Charge for Services					
Health services	\$ 45,000	\$ -	\$ 45,000	\$ 71,000	\$ 2,640
Health benefits and taxes	75,700	-	75,700	75,000	100
Contract services	55,750	-	55,750	55,000	5,750
Furniture and equipment	7,000	-	7,000	7,000	-
Professional services	15,750	-	15,750	15,000	750
Advertising and promotion	50	-	50	500	450
Office supplies	10,500	-	10,500	11,700	1,200
Books and subscriptions	74	-	74	1,000	926
Travel and entertainment	1,500	-	1,500	1,500	-
Total Charge for Service	207,824	-	207,824	268,200	60,376
Other Receipts					
Revolving expenditures:					
-Utilities	24,500	-	24,500	25,000	5,500
-General, and misc	7,500	600	8,100	7,500	1,600
-Insurance	75,700	-	75,700	75,000	700
-Confined and confined supplies	75,000	-	75,000	75,000	-
-Benefit	1,500	-	1,500	2,000	500
	234,900	600	235,500	259,500	16,000
Revolving program expenditures:					
-Health services	75,000	-	75,000	77,000	2,000
-Health benefits and taxes	25,000	-	25,000	25,000	-
-Office supplies	12,000	-	12,000	15,000	3,000
-Contract services	7,000	-	7,000	7,000	-
-Advertising and promotion	7,500	-	7,500	7,500	-
-Books and subscriptions	1,500	-	1,500	2,000	500
-Travel and entertainment	1,000	-	1,000	1,000	-
-Miscellaneous	50	-	50	500	450
	139,500	-	139,500	145,000	5,500
Other services	11,000	11,000	22,500	22,500	11,500
Total Other Receipts	385,300	11,600	396,900	427,000	31,100
Financing the Future					
-Health services	124,000	-	124,000	125,000	1,000
-Health benefits and taxes	25,000	-	25,000	25,000	-
-Advertising and promotion	25,000	-	25,000	25,000	-
-Office and equipment rental	25,000	-	25,000	25,000	-
-Office supplies	1,500	-	1,500	2,000	500
-Printing and copying	2,000	-	2,000	2,000	-
-Travel/expense	1,000	-	1,000	1,000	-
-Books and subscriptions	1,500	-	1,500	1,500	-
-Travel/expense	2,000	-	2,000	2,000	-
	209,500	-	209,500	210,000	500

Jefferson Parish Economic Development Commission
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
Year Ended December 31, 1988

	Actual in 1988 Dollars	Adjustment to Budgetary Dollars	Total on Budgetary Dollars	Budget	Variance Favorable (Unfavorable)
REVENUES:					
Intergovernmental:					
State of Louisiana (State- operational) license	11,087,400	0	11,087,400	11,087,400	0
Changes for operations:					
Item processing and printing	47,433	47,433	94,866	94,866	0
Rent - Corporation Center	14,420	0	14,420	20,000	(5,580)
" - State House"	17,243	10,800	28,043	28,000	43
Telephone charges - Exchange for Gov. - "John H. White"	11,433	0	11,433	20,000	(8,567)
Interest and related income	20,856	(20,856)	0	20,856	(20,856)
Total revenues	1,506,290	46,800	1,553,090	1,347,000	206,090
Other financing sources:					
Proceeds of long-term debt	70,000	(70,000)	0	0	0
Capital lease loan	0	26,800	26,800	0	26,800
Sale of vehicle and equipment	0	27,700	27,700	0	27,700
Operating transfers in	50,000	217,700	267,700	0	267,700
Total revenues and other financing sources	1,506,290	(126,000)	1,380,290	1,347,000	33,290
EXPENDITURES:					
Services:					
Managerial services	128,417	0	128,417	144,000	(15,583)
"State House"	270,000	71,400	341,400	270,000	71,400
Planning the future	232,900	0	232,900	244,000	(11,100)
Business operations	220,000	0	220,000	237,400	(17,400)
Business materials	278,000	0	278,000	240,000	38,000
Administrative	281,400	0	281,400	294,000	(12,600)
Recreation and capital or lay off services	40,200	20,000	60,200	60,000	200
Contracted and interest	52,400	121,600	174,000	0	174,000
Total expenditures	1,606,687	121,600	1,728,287	1,399,400	328,887
Excess of expenditures over revenues and other financing sources	(100,000)	0	(100,000)	5,000,000	9,900,000
Fund balance at beginning of year	1,126,000	0	1,126,000		
Fund balance at end of year	1,026,000	0	1,026,000		

The accompanying notes are an integral part of this statement.

SINGLE AUNT REPORTS

corrective actions to bring the budget in balance. Subsequent to December 31, 1996, the Jefferson Parish Council passed Resolution No. 84910 directing JEDCO to maintain its programs and activities at its current level.

This action will prohibit JEDCO from taking the corrective actions necessary to comply with state law and it is anticipated that the Council intends to correct the budget imbalance by providing JEDCO with additional funding.

Finding - Approval of the State Bond Commission was not obtained for JEDCO's refinancing of an existing loan of \$110,000 and arrangement for a line-of-credit of \$140,000 from a local bank.

Management's Response - JEDCO did not seek approval of the State Bond Commission because it believed that the refinancing did not result in any additional debt by JEDCO since the old debt and the new debt were for the same amount. It was also believed that the line-of-credit arrangement did not require approval of the State Bond Commission because JEDCO did not incur any debt under the line-of-credit arrangement.

We considered these instances of noncompliance in forming our opinion on whether JEDCO's general-purpose financial statements are presented fairly in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated March 31, 1997, on these general-purpose financial statements.

This report is intended for the information of the Board of Commissioners, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Uyes, Butler, Arceneaux & Boudo

Harvey, Louisiana
March 31, 1997

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

**Board of Commissioners
Jefferson Parish Economic Development Commission**

We have audited the general-purpose financial statements of Jefferson Parish Economic Development Commission (JEDCO), Jefferson Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 31, 1997.

We have also audited JEDCO's compliance with the requirements governing types of services allowed or disallowed; eligibility; matching; level of effort; or earmarking; reporting; and special terms that are applicable to JEDCO's major federal financial assistance programs, which are identified in the accompanying schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of JEDCO is responsible for JEDCO's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards: **GOVERNMENT EXISTING STANDARDS**, issued by the Comptroller General of the United States, and **GMB Circular A-130, AUDITS OF STATE AND LOCAL GOVERNMENTS**. These standards and GMB Circular A-130 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about JEDCO's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, JEDCO complied in all material respects with the requirements described above that are applicable to each of its major federal financial assistance program.

This report is intended for the information of the Board of Commissioners, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Hyge, Butler, Arceaux & Bowen
Harvey, Louisiana
March 31, 1997

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners
Jefferson Parish Economic Development Commission

We have audited the general-purpose financial statements of Jefferson Parish Economic Development Commission (JEDCO), Jefferson, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 31, 1997.

We have applied procedures to test JEDCO's compliance with the following requirements applicable to its federal assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1996: political activity; Davis-Bacon Act; civil rights; cash management; relocation assistance and real property acquisition; federal financial reports; allowable costs/cost principles; drug free workplace act; and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's COMPLIANCE SUPPLEMENT FOR SINGLE AUDITS OF STATE AND LOCAL GOVERNMENTS. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on JEDCO's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that JEDCO had not complied, in all material respects, with these requirements.

This report is intended for the information of the Board of Commissioners, management, and Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Uger, Butler, Arceneaux & Bowen
Harvey, Louisiana
March 31, 1997

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Jefferson Parish Economic Development Commission

We have audited the general-purpose financial statements of Jefferson Parish Economic Development Commission (JEDCO), Jefferson, Louisiana, as of and for the year ended December 31, 1994, and have issued our report thereon dated March 31, 1997.

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

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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 structure and its operations that we consider to be material weaknesses as defined above.

Jefferson Parish Economic Development Commission
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1988

NOTE 2 - CHANGES IN ASSETS AND LIABILITIES OF ASSET FUNDS - continued

	RR Project Fund, Fund			Balance December 31, 1988
	Balance January 1, 1988	Additions	Deletions	
Assets:				
Cash	\$ 11,501	\$ 36,747	\$ 34,262	\$ 13,986
Notes receivable	110,632	75,000	1,471	125,161
Total assets	\$122,133	\$ 111,747	\$ 35,733	\$ 139,148
Liabilities:				
Due to Jefferson Parish, Department of Community Development:				
Bonds	\$104,000	\$ 20,000	\$ -	\$ 124,000
Net Income	18,133	7,438	---	25,571
Total liabilities	\$122,133	\$ 27,438	\$ -	\$ 149,571

Jefferson Parish RR RR-2 Fund

	Balance January 1, 1988			Balance December 31, 1988
	RR-1 Fund	Deletions		
Assets:				
Cash	\$ 288,168	\$ 34,271	\$ 218,881	\$ 105,498
Notes receivable	4,100,000	-	4,078,000	-
Notes payable receivable	-	1,854,000	188,000	2,042,000
Accrued interest receivable	185,153	-	185,153	-
Due from Jefferson Parish RR-1 RR-2 Agency Fund	-	100,000	9,500	90,500
Due from Jefferson Parish Dept. of Community Development	---	1,897,839	---	1,897,839
Total assets	\$5,673,321	\$3,886,110	\$4,303,514	\$5,033,837
Liabilities:				
Accounts payable	\$ -	\$ 3,400	\$ -	\$ 3,400
Accrued interest payable	185,153	184,171	185,700	185,578
Notes payable and other	398,748	-	381,748	-
Notes payable (RR-1 RR-2)	4,778,800	---	4,000,000	4,000,000
Total liabilities	\$5,362,701	\$2,268,571	\$4,467,448	\$4,289,078

Jefferson Parish RR RR-2 Fund

	Balance January 1, 1988			Balance December 31, 1988
	RR-1 Fund	Additions	Deletions	
Assets:				
Cash	\$ 21,540	\$ 100,000	\$ 101,844	\$ 21,696
Notes receivable	1,405,000	-	1,405,000	-
Notes payable receivable	-	1,400,000	9,500	1,409,500
Accrued interest receivable	68,701	-	68,701	-
Due from Jefferson Parish Dept. of Community Dev.	---	1,000,000	---	1,000,000
Total assets	\$1,495,241	\$2,500,000	\$2,685,145	\$2,432,296

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1996

NOTE 8 - COMBINED BALANCE SHEET OF AGENCY FUNDS - continued

	199 ending 12/31/96	1995 ending 12/31/95	Jefferson Parish 1996 12/31/96	Jefferson Parish 1995 12/31/95	Reflected comparative Fund	Total
Assets						
Cash	\$28,588	\$ 31,528	\$ 54,078	\$ 24,028	\$ -	\$ 138,222
Investments	-	-	-	-	254,116	254,116
Notes receivable	27,588	50,588	-	-	-	78,176
Unexp. proceeds in receivables	-	-	2,148,000	1,969,500	-	4,117,500
Accrued interest receivable	2,817	-	-	-	-	2,817
Due from Jefferson Parish and 1997 Agency Fund	-	-	90,500	-	-	90,500
Due from Jefferson Parish Dept. of Community Development	-	-	1,881,875	1,548,588	-	3,430,463
total assets	\$59,073	\$1,383,094	\$4,174,451	\$4,542,116	\$254,116	\$4,470,727
Liabilities						
Accounts payable	\$ -	\$ -	\$ 2,817	\$ -	\$ -	\$ 2,817
Accrued interest payable	-	-	144,171	74,541	-	218,712
Due to Jefferson Parish Dept. of Community Development	294,800	341,588	-	-	-	636,388
Due to General Fund	-	-	-	1	-	1
Due to Jefferson Parish and 1997 Agency Fund	-	-	-	90,500	-	90,500
Notes payable	750	-	-	-	-	750
Notes payable	-	-	4,948,000	2,429,500	-	7,377,500
Reflected comparative liabilities payable	-	-	-	-	254,116	254,116
total liabilities	\$59,073	\$1,383,094	\$4,174,451	\$4,542,116	\$254,116	\$4,470,727

NOTE 9 - CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS

The following summarizes the changes in the assets and liabilities of the agency funds during 1996.

	1996 ending 12/31/96			1995 December 31, 1995
	Balance Agency 1996	additions	deductions	
Assets				
Cash	\$28,587	\$ 23,175	\$ 20	\$ 109,800
Notes receivable	27,588	-	2,910	257,500
Accrued interest receivable	2,817	280	20	2,817
total assets	\$59,073	\$23,455	\$30	\$369,117
Liabilities				
Notes payable Due to Jefferson Parish, Department of Community Development				
Investments	274,500	-	-	274,500
1997 income	30,000	20,321	20	28,219
total liabilities	\$59,073	\$20,321	\$20	\$302,719

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1994

NOTE D - CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS - continued

Jefferson Parish Sewerage Fund - continued

	Balance January 1, 1994	ADDITIONS	DEDUCTIONS	Balance December 31, 1994
Liabilities				
Unpaid interest payable due to General Fund	\$ 21,324	\$ 75,387	\$ 21,324	\$ 75,387
Due to Jefferson Parish Sewerage Agency Fund	-	-	-	-
Source deposits and other agency payables	-	99,500	9,500	90,500
Payables 1993-94	1,125,000	-	125,000	1,000,000
Total Liabilities	\$ 1,146,324	\$ 174,887	\$ 135,824	\$ 1,185,387

Jefferson Parish Sewerage Fund

	Balance January 1, 1994	ADDITIONS	DEDUCTIONS	Balance December 31, 1994
Assets				
Investments	\$ 71,587	\$ 52,000	\$ -	\$ 123,587
Liabilities				
Deferred compensation benefit payable	\$ 71,587	\$ 52,000	\$ -	\$ 123,587

NOTE E - CONTRIBUTED SERVICES

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

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1998

NOTE H - LONG-TERM DEBT - continued

The loan payable to Jefferson Parish is a non-interest bearing loan in the original amount of \$200,000. 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 1990 for its small business incubator, referred to by JEDCO as the Enterprise Center. This loan was to be paid back over a five-year period ending in 1994, but collection was foreborne by the Jefferson Parish Council in 1990 until JEDCO's certificates of indebtedness which were scheduled to mature on December 1, 1994 were paid in full. The Certificates of Indebtedness were issued by JEDCO in 1991 and the proceeds were used to acquire the property used by JEDCO West.

In August 1996, JEDCO borrowed \$110,000 from a local bank and used the proceeds of this loan to pay in full the \$110,000 of certificates of indebtedness. The bank loan of \$110,000 is payable in 50 monthly installments of \$248.60 each beginning September 15, 1996 and one last payment of \$95,088.07 on August 15, 2001. Payments include principal and interest at the rate of 8.25% per annum. The loan is collateralized by the land and building located at 2845 Peters Road, Harvey, Louisiana which JEDCO uses for its JEDCO West business incubator operations.

concurrent with obtaining the \$110,000 mortgage loan described in the preceding paragraph, JEDCO also arranged with the same bank for a line-of-credit in the amount of \$140,000 to be used for capital improvements and equipment purchases. As December 31, 1998, there have been no withdrawals under the line-of-credit arrangement.

The annual principal maturities of JEDCO'S long-term loans at December 31, 1998 are summarized as follows:

Year ending December 31,	Loan payable to Jefferson Parish	Mortgage Loans	Total
1997	\$100,000	\$ 4,383	\$104,383
1998	100,000	5,043	105,043
1999	100,000	5,366	105,366
2000	-0-	5,711	5,711
2001	-----	\$7,584	\$7,584
	<u>\$100,000</u>	<u>\$28,087</u>	<u>\$128,087</u>

NOTE H - CASHING BALANCE SHEET OF AGENCY FUNDS

The following is the cashing balance sheet of the agency funds at December 31, 1998:

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1996

NOTE K - OPERATING LEASE - continued

Year ending December 31.	
1997	128,760
1998	128,760
1999	144,000
2000	144,000
2001	144,000

NOTE L - CAPITAL LEASE

JPECO is obligated under a lease agreement which is accounted for as a capital lease for accounting purposes. The leased asset, a forklift, and the related obligation are recorded in the General Fixed Assets and the General Long-Term Debt Account Group, respectively. The following is a schedule of future minimum lease payments at December 31, 1996 recorded in the General Long-Term Debt Account Group.

Year ending December 31.	
1997	\$1,609
1998	1,459
1999	1,388
Total minimum lease payments Less amount representing interest	1,258
Present value of future minimum lease payments	<u>\$1,214</u>

NOTE M - LONG-TERM DEBT

During the year ended December 31, 1996, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

	Balance January 1, 1996	ADDITIONS	DEDUCTIONS	Balance December 31, 1996
Improved streets	\$ 71,000	\$ 21,714	\$ 15,000	\$ 77,714
Capital lease	0-	1,468	144	1,324
Loan payable to Jefferson Parish	20,000	0-	0-	20,000
Collateral of Bonds/Notes	18,000	0-	70,000	0-
Mortgage loan	0-	10,000	1,844	8,156
	<u>\$119,000</u>	<u>\$ 33,182</u>	<u>\$186,844</u>	<u>\$ 65,238</u>

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1996

NOTE I - DEFERRED COMPENSATION PLAN - continued

provisions of benefits under the plan), subject only to the claims of JEDCO's general creditors. Participants' rights under the plan are equal to those of general creditors of JEDCO in an amount equal to the fair market value of the deferred account for each participant.

JEDCO has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. JEDCO believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Investments of the plan are managed by FIBCO. The choice of the investment option(s) is made by the participant.

NOTE J - NOTES PAYABLE IN AGENCY FUNDS

Notes payable in the Jefferson Parish EED 100 and 100-2 Agency Funds are payable to the order of the registered holders in annual installments with interest at varying rates as follows:

Maturity Date	Series 1991-A		Series 1992-A	
	Interest Rate	Principal Amount	Interest Rate	Principal Amount
6/30/97	8.40	285,000	7.93	210,000
6/30/98	8.56	310,000	8.08	225,000
6/30/99	8.625	340,000	8.12	240,000
6/30/2000	8.65	1,375,000	8.15	250,000
6/30/2001	8.74	1,740,000	8.22	265,000
6/30/2002	-	-	8.24	280,000
6/30/2003	-	-	8.27	300,000
6/30/2004	-	-	8.34	320,000
Interest	-	-	13.908	335,000
		\$4,280,000		\$4,425,000

Interest is payable semi-annually on February 1 and August 1. The notes are guaranteed by EED under its Section 108 program. The \$320,000 of interim financing represents a loan from a financial agent bank bearing interest at .2% above the London Interbank Offered Rate (LIBOR).

NOTE K - 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 beginning in 1995. Lease payments under the lease for the year ended December 31, 1996 were \$129,750. Minimum future annual lease payments required under the two leases for the five years following December 31, 1996, are as follows:

Jefferson Parish Economic Development Commission
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1998

NOTE D - NOTES RECEIVABLE

Notes receivable consists of loans which were made to businesses located in Jefferson Parish pursuant to the provisions of Title I of the Housing and Community Development Act of 1974, as amended, and Title IX of the Public Works and Economic Development Act of 1960, as amended. The loans were made from a special reserve and two agency funds established solely for this purpose. Funding for community development loans was provided by Jefferson Parish from its own fund. 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 11.5% 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.

NOTE E - 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 1994. The leased assets consist of two pieces of real property and some equipment which JEDCO acquired as a result of default by a manufacturer who had pledged such assets as collateral for two loans from JEDCO under the Housing and Urban Development 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., Metairie, LA, \$2,218,000 (\$109,000 of which was received in 1998); for property located at 1209 Distributors Row, Metairie, LA, \$1,039,000 (\$9,500 of which was received in 1998). The future minimum lease payments to be received at December 31, 1998 are as follows:

Year ending December 31	1008 Elmwood Park Blvd.	1209 Distributors Row
1997	\$ 105,800	\$ 102,000
1998	100,510	91,000
1999	85,485	80,500
2000	80,710	80,500
2001	1,228,495	410,500
Totals	\$2,210,000	\$1,320,500

The payments due in the year 2001 include final balloon payments due on August 1, of \$1,633,528 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 \$1.00, or at any time by prepaying all rents due under the leases.

NOTE F - INE FROM/TO OTHER FUNDS

Due from/to other funds consists of the following interfund receivables/payables at December 31, 1998.

This report is intended for the information of the Board of Commissioners, management, and the Louisiana Legislative Auditor. However, this report, in a matter of public record and its distribution is not limited.

Lyles, Butler, ArthurDAK & BOWEN
Harvey, Louisiana
March 22, 1987

Jefferson Parish Economic Development Commission
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1994

3. BASIS OF ACCOUNTING - continued

JEDCO reports deferred revenue on its combined balance sheet. Deferred revenues arise when a 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.

4. BUDGET

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 miscellaneous 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 balances and becomes available for future appropriation. Commitments related to unperformed contracts for goods or services (encumbrances) are not recorded as a reservation of fund balances 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.

5. CASH AND INVESTMENTS

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

State statutes permit JEDCO to invest in obligations of the United States Government and agencies of the United States Government which are federally insured and certificates of deposit of state banks and national banks having their principal office in the State of Louisiana.

Investments in the deferred compensation agency fund consists of mutual funds which are stated at market value.

6. ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE RECEIVABLES

An allowance for estimated uncollectible receivables is established when collectibility of an account becomes doubtful. An allowance of \$1,147 has been established for receivables in the General Fund and \$31,000 in the Special Revenue Fund.

Jefferson Parish Economic Development Commission
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1998

3. FUND ACCOUNTING - continued

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.

JEDCO's fiduciary fund type consists of five agency funds, four of which are used to account for assets that JEDCO holds for another governmental unit. The other is used to account for the activities in JEDCO's deferred compensation plan under Section 403 of the Internal Revenue Code. The agency funds are custodial in nature (assets and liabilities) and do not involve measurement of results of operations.

3. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The 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 and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds and the agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. Transfer between funds that are not expected to be repaid are accounted for as other financial sources (uses) and are recorded when the interfund receivables and payable arises.

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

Jefferson Parish Economic Development Commission
NOTES TO FINANCIAL STATEMENTS
December 31, 1994

NOTE A - 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 1993 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 by-laws 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 units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. JEDCO's significant accounting policies are described as follows.

1. 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.

2. 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 various functions or activities.

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