

JEFFERSON PARISH FINANCE AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Jefferson Parish Finance Authority
Harahan, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, of the Jefferson Parish Finance Authority as of and for the year ended December 31, 2023, and 2022 and the related notes to the financial statements, which collectively comprise the Jefferson Parish Finance Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the Jefferson Parish Finance Authority as of December 31, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jefferson Parish Finance Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson Parish Finance Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson Parish Finance Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson Parish Finance Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 5–13 presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Parish Finance Authority basic financial statements. . The accompanying Schedule of Employer's Proportionate Share of Net Pension Liability, the Schedule of Employer's Contributions, Schedule of Assets, Liabilities and Net Position by Program, Schedule of Revenues, Expenses and Changes in Net Position by Program, Schedule of Cash Flows by Program, Schedule of Operating Expenses, Schedule of Board Members' Compensation and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Employer's Proportionate Share of Net Pension Liability, the Schedule of Employer's Contributions, Schedule of Assets, Liabilities and Net Position by Program, Schedule of Revenues, Expenses and Changes in Net Position by Program, Schedule of Cash Flows by Program, Schedule of Operating Expenses, Schedule of Board Members' Compensation and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2024 on our consideration of the Jefferson Parish Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson Parish Finance Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson Parish Finance Authority's internal control over financial reporting and compliance

Camnetar & Co.

Camnetar & Co. CPAs

a professional accounting corporation

Gretna, Louisiana

May 24, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

INTRODUCTION

This section of the Jefferson Parish Finance Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal years that ended December 31, 2023 and 2022, and should be used in conjunction with the Authority's financial statements which follow this section. Throughout the financial report, dollar amounts will be expressed in thousands, unless otherwise noted.

The Authority is a public trust established in 1979 which has helped many realize the dream of home ownership over four decades. The Authority is a component unit of the Parish of Jefferson, Louisiana.

In December 2023, the Authority issued Single Family Mortgage Revenue Bonds in the amount of \$20,000,000.

- The Series 2023 Single Family Mortgage Revenue Bond Program is now available to qualifying first-time homebuyers who want to purchase a home in Jefferson Parish and need assistance funding their down payment and closing costs. Homebuyers can receive a fixed rate of 6.20% for FHA, VA, and USDA loans and a fixed rate of 6.42% for Fannie Mae and Freddie Mac loans on the first mortgage. The assistance is 4% of the final note amount and in the form a 0% interest soft second mortgage that is fully forgiven after 5 years. The Series 2023 Single Family Mortgage Revenue Bond Program can be combined with the Authority's \$2,500 Heroes to Homeowners grant that is available to education and healthcare employees, first responders, and active or former military members.

The Authority operated the Heroes to Homeowner and Comfort of Home Programs for the years ended December 31, 2023 and 2022.

- The Authority established the Heroes to Homeowners grant program which provides an additional \$2,500 grant to teachers and first responders to assist with the purchase of a home in connection with mortgages originated through the Authority's SMAP or LAP programs. The Authority designated \$100,000 to support this program with a plan not to exceed \$500,000 over the course of the program. Since the inception of the program, the Authority expanded this program to include healthcare workers, veterans and active military.
- In November of 2021, the Authority introduced the Comfort of Home Program. The Comfort of Home Program offers 30-year, fixed rate mortgages through the FHA, VA, USADA, Freddie Mac HFA Advantage or Fannie Mae HFA Preferred. Initially, the program offered up to 4% down payment and closing cost assistance is provided to the borrower in the form of a 0% interest, deferred, second mortgage which is forgiven after fifteen years. Borrowers may still sell or refinance their home within the fifteen year period; they will simply owe the full amount of assistance back to the Authority. In 2023, the Authority modified this program in which the second mortgage is forgiven after five years.

Previously, the Authority offered two down payment assistance programs with a variety of options associated with each. The Southern Mortgage Assistance Program (SMAP) and the Lagniappe Advantage Program (LAP) each offered 0% to 4% down payment assistance. These programs were suspended in the year ended December 31, 2023.

The Authority utilizes unrestricted investment earnings and bond issuer fees to support operations.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Position.

The Statements of Net Position reports the Authority's net position. Net Position, the difference between the Authority's assets and liabilities, is one way to measure the Authority's financial health or position.

FINANCIAL HIGHLIGHTS

2023

The Authority's net position represents 26% of its total assets. With total assets approximating \$35 million, the Authority had an increase in net position of approximately \$8 thousand for the year ended December 31, 2023.

Authority's financial highlights include:

- The Authority's increase in net position of \$8 thousand was attributed to.
 - Operating revenues of \$749 thousand exceeding operating revenues of \$741 thousand for the year ended December 31, 2023.
 - The Authority's operating revenues increased \$1.4 million in 2023 compared to 2022
 - The Authority realized an increase in investment income of \$119 thousand and an increased of \$1.3 million in appreciation in fair market value of investments and mortgage backed securities in 2023 compared to 2022.
 - In 2023, the JMAP, SMAP and COH programs created \$51 thousand in revenues, a decrease of \$7 thousand from the prior year. The Authority utilizes its current operational budget and administration to support this program.
 - Operating expenses increased by \$82 thousand over the prior year. This increase is attributed to wage increase and increase in pension costs.

- The Authority's total assets increased by \$20 million primarily due to the receipt of the proceeds from the 2023 bond issue.

- The Authority's total liabilities increased by \$ 20 million primarily due to 2023 bond issue.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

FINANCIAL HIGHLIGHTS (Continued)

2022

In 2022, the Authority's net position represented 60% of its total assets. With total assets approximating \$15 million, the Authority had a decrease in net position of approximately \$1.3 million for the year ended December 31, 2022.

Authority's financial highlights include:

- The Authority's net position decreased by \$1.35 million.
 - ▣ \$1.16 million of the decrease or 86% is due to the decline in fair market value of investments and mortgage backed securities. The decline is representative in the decline in the market for municipal bonds and mortgage back securities.
 - ▣ The remaining decrease of \$191 thousand is due to the excess of expenses over revenues during the fiscal year. Operating expenses decreased \$96 thousand from the prior year.
 - ▣ In 2022, the JMAP, SMAP and COH programs created \$57 thousand in revenues, a decrease of \$42 thousand from the prior year. The Authority utilizes its current operational budget and administration to support this program.

- The Authority's total assets decreased by \$2 million primarily due to the payments made on outstanding bonds payable and the decline in fair market value of investments and mortgage backed securities.

- The Authority's total liabilities decreased by \$736 thousand primarily due to the payments on the outstanding bonds payable in the fiscal year.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

2023

Table A-1 demonstrates the comparison of the Authority's condensed statement of net position for the years ended 2023 and 2022.

- The Authority's total net position at December 31, 2023, increased by \$8 thousand to \$8.9 million a nominal increase from December 31, 2022.
- Total assets increased by \$20 million or 133% due primarily to \$20 million receipt of bond issue proceeds.
- Liabilities increased by \$20 million or 340% due to the increase bonds payable of \$20 million, upon the December 2023 bond issue.

**Jefferson Parish Finance Authority
Table A-1
(in thousands of dollars)**

	2023	2022	Increase (Decrease)
Cash and cash equivalents	\$ 22,934	\$ 895	\$ 22,039
Investments	6,495	8,049	(1,554)
Mortgage-backed securities	5,366	5,784	(418)
Other assets	225	322	(97)
Total assets	<u>35,020</u>	<u>15,050</u>	<u>19,970</u>
Deferred outflows - pension	<u>53</u>	<u>26</u>	<u>27</u>
Other liabilities	426	519	(93)
Bonds payable	25,675	5,510	20,165
Total liabilities	<u>26,101</u>	<u>6,029</u>	<u>20,072</u>
Deferred inflows - pension	<u>5</u>	<u>88</u>	<u>(83)</u>
Net position			
Restricted for debt	1,358	(11)	1,369
Restricted for program	256	254	2
Unrestricted			
Undesignated	1,051	1,189	(138)
Designated	6,302	7,527	(1,225)
Total net position	<u>\$ 8,967</u>	<u>\$ 8,959</u>	<u>\$ 8</u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

FINANCIAL ANALYSIS OF THE AUTHORITY (continued)

Net Position (continued)

2022

Table A-2 demonstrates the comparison of the Authority's condensed statement of net position for the years ended 2022 and 2021.

- The Authority's total net position at December 31, 2022, decreased by \$1.3 million to \$8.9 million an decrease of 13% from December 31, 2021.
- Total assets decreased by \$2 million or 12% due primarily to a decrease in mortgage-backed securities of \$1.8 million, a decrease in investment of \$222 thousand, and a decrease in cash of \$86 thousand.
- Liabilities decreased by \$736 thousand or 11% due to the decrease in bonds payable of \$900 million and an increase in other liabilities of \$164 thousand.

**Jefferson Parish Finance Authority
Table A-2
(in thousands of dollars)**

	2022	2021	Increase (Decrease)
Cash and cash equivalents	\$ 895	\$ 981	\$ (86)
Investments	8,049	8,271	(222)
Mortgage-backed securities	5,784	7,642	(1,858)
Other assets	322	211	111
Total assets	<u>15,050</u>	<u>17,105</u>	<u>(2,055)</u>
Deferred outflows - pension	<u>26</u>	<u>45</u>	<u>(19)</u>
Other liabilities	519	355	164
Bonds payable	5,510	6,410	(900)
Total liabilities	<u>6,029</u>	<u>6,765</u>	<u>(736)</u>
Deferred inflows - pension	<u>88</u>	<u>69</u>	<u>19</u>
Net position			
Restricted for debt	(11)	802	(813)
Restricted for program	254	247	7
Unrestricted			
Undesignated	1,189	1,311	(122)
Designated	7,527	7,956	(429)
Total net position	<u>\$ 8,959</u>	<u>\$ 10,316</u>	<u>\$ (1,357)</u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

FINANCIAL ANALYSIS OF THE AUTHORITY (continued)

Changes in Net Position

2023

As seen in Table A-3, operating revenues increased \$1.4 million or 193%. \$1.3 million of this increase was due to the increase in market value of investments and mortgage backed securities from the prior year.

As seen in Table A-4, operating expenses increased by \$82 primarily due to an increase retirement and salaries expenses.

**Jefferson Parish Finance Authority
Table A-3
(in thousands of dollars)**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Operating revenues			
Investment income on mortgage loans	\$ 232	\$ 260	\$ (28)
Investment income on investment securities	246	127	119
(Depreciation) appreciation in fair market value of investments in mortgage backed securities	216	(1,160)	1,376
Other	55	81	(26)
Total operating revenues	<u>749</u>	<u>(692)</u>	<u>1,441</u>
Operating expenses	<u>741</u>	<u>659</u>	<u>82</u>
Change in net position	<u>8</u>	<u>(1,351)</u>	<u>1,359</u>
Total net position, beginning of the year	8,959	10,310	(1,351)
Total net position, end of the year	<u>\$ 8,967</u>	<u>\$ 8,959</u>	<u>\$ 8</u>

**Table A-4
(in thousands of dollars)**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 122	\$ 137	\$ (15)
Servicing fees	28	30	(2)
Trustee fees	32	30	2
Uncollectible down payment assistance	2	4	(2)
Program and Grant expense	5	5	-
Other operating expenses	552	453	99
Total operating expenses	<u>\$ 741</u>	<u>\$ 659</u>	<u>\$ 82</u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

FINANCIAL ANALYSIS OF THE AUTHORITY (continued)

Changes in Net Position (continued)

2022

As seen in Table A-5, operating revenues decreased \$908 thousand or 420%. \$855 thousand of this was due to the decline in market value of investments and mortgage backed securities from the prior year.

As seen in Table A-6, operating expenses decreased by \$201 thousand primarily due to a \$95 thousand decrease in other operating expenses and a decrease of \$65 thousand in program and grant expenses

**Jefferson Parish Finance Authority
Table A-5
(in thousands of dollars)**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Operating revenues			
Investment income on mortgage loans	\$ 260	\$ 310	\$ (50)
Investment income on investment securities	127	98	29
(Depreciation) appreciation in fair market value of investments in mortgage backed securities	(1,160)	(305)	(855)
Other	<u>81</u>	<u>113</u>	<u>(32)</u>
Total operating revenues	(692)	216	(908)
Operating expenses	<u>659</u>	<u>860</u>	<u>(201)</u>
Change in net position	(1,351)	(644)	(707)
Total net position, beginning of the year	<u>10,310</u>	<u>10,960</u>	<u>(650)</u>
Total net position, end of the year	<u><u>\$ 8,959</u></u>	<u><u>\$ 10,316</u></u>	<u><u>\$ (1,357)</u></u>

**Table A-6
(in thousands of dollars)**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 137	\$ 169	\$ (32)
Servicing fees	30	37	(7)
Trustee fees	30	31	(1)
Uncollectible down payment assistance	4	5	(1)
Program and Grant expense	5	70	(65)
Other operating expenses	<u>453</u>	<u>548</u>	<u>(95)</u>
Total operating expenses	<u><u>\$ 659</u></u>	<u><u>\$ 860</u></u>	<u><u>\$ (201)</u></u>

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

DEBT ADMINISTRATION

2023

As shown in Table A-7, bonds payable was \$25.7 million as of December 31, 2023, compared to \$5.5 million at December 31, 2022. The increase in bonds payable is the result of the \$21 million in proceeds received for the 2023 bond program offset by the reduction of the 2009 bond program related to routine bond payments made as mortgage loan payments are received. All bond debt covenants have been met.

2022

Total indebtedness for bonds payable was \$5.5 million as of December 31, 2022, compared to \$6.4 million at December 31, 2021. The decrease in bonds payable is the result of routine bond payments made as mortgage loan payments are received. All bond debt covenants have been met.

**Jefferson Parish Finance Authority
Table A-7
(in thousands of dollars)**

	2023	2022	Increase (Decrease)
Bonds Payable			
2009 Program	\$ 5,040	\$ 5,510	\$ (470)
2023 Program*	20,635	-	20,635
	\$ 25,675	\$ 5,510	\$ 20,165

*Bond Program is shown net of unamortized bond premium and bond issuance costs

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The Authority is constantly exploring new opportunities to make the dreams of home ownership come true and enhance economic development. In 2021, the Authority made several program improvements to increase the revenue in both the Southern Mortgage Assistance and Lagniappe Advantage Programs. Since the average price of a home in Jefferson Parish is approximately \$225,000, the Authority raised the maximum income limit for both programs to 140% of Area Median Income (currently \$114,560) to make our programs more accessible. The Authority also added the Fannie Mae HFA Preferred Product to its Lagniappe Advantage Program which is preferred by most lenders

The Heroes to Homeowners Program was introduced in 2019 to provide an additional \$2500 of true grant assistance for the purchase of a home to those who provide safety, service and education to our community. In 2020 and early 2022, the Authority expanded this program to include healthcare workers, veterans and active military.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2023 and 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

In November of 2022, Authority introduced the Comfort of Home Program. The Comfort of Home Programs offers 30-year, fixed rate mortgages through the FHA, VA, USADA, Freddie Mac HFA Advantage or Fannie Mae HFA Preferred. Up to 4% down payment and closing cost assistance is provided to the borrower in the form of a 0% interest, deferred, second mortgage which is forgiven after fifteen years. Borrowers may still sell or refinance their home within the fifteen-year period; they will simply owe the full amount of assistance back to the Authority.

In 2024, the Authority will continue to market the 2023 Bond Program and existing down payment assistance programs.

CONTACTING THE AUTHORITY'S FINANCIAL MANGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Jefferson Parish Finance Authority at (504) 736-6311.

FINANCIAL STATEMENTS

JEFFERSON PARISH FINANCE AUTHORITY
STATEMENTS OF NET POSITION
(In Thousands)
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 22,934	\$ 895
Investment securities at fair value	6,495	8,049
Accrued interest receivable	96	61
Down payment assistance and other receivables	31	50
Net pension asset	-	89
Lease-right to use asset	98	122
Mortgage-backed securities	<u>5,366</u>	<u>5,784</u>
Total Assets	<u>35,020</u>	<u>15,050</u>
Deferred Outflows of Resources		
Deferred outflows related to net pension liability	<u>\$ 53</u>	<u>\$ 26</u>
Liabilities		
Accrued interest payable	\$ 9	11
Accrued expenses	103	95
Lease liability	103	128
Net pension liability	27	-
Other liabilities	184	285
Bonds payable	<u>25,675</u>	<u>5,510</u>
Total Liabilities	<u>\$ 26,101</u>	<u>\$ 6,029</u>
Deferred Inflows of Resources		
Deferred inflows related to net pension liability	<u>\$ 5</u>	<u>\$ 88</u>
Net Position		
Restricted for debt	1,358	(11)
Restricted for program	256	254
Unrestricted		
Undesignated	1,051	1,189
Designated	<u>6,302</u>	<u>7,527</u>
Total Net Position	<u>\$ 8,967</u>	<u>\$ 8,959</u>

The accompanying notes are an integral part of these statements.

JEFFERSON PARISH FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(In Thousands)
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Investment income on mortgage backed securities	\$ 232	\$ 260
Investment income on investment securities	246	127
Appreciation (Depreciation) in fair market value of investments and mortgage backed securities	216	(1,160)
JMAP, SMAP, COH Program revenue	51	57
Other revenue	<u>4</u>	<u>24</u>
Total Operating Revenues	749	(692)
Operating Expenses		
Interest on debt	122	137
Servicing fees	28	30
Trustee and investment advisor fees	32	30
Uncollected down payment assistance	2	4
Grant expense	5	5
Other operating expenses	<u>552</u>	<u>453</u>
Total Operating Expenses	<u>741</u>	<u>659</u>
Change in Net Position	8	(1,351)
Net Position at the Beginning of the Year	<u>8,959</u>	<u>10,310</u>
Net Position at the End of the Year	<u><u>\$ 8,967</u></u>	<u><u>\$ 8,959</u></u>

The accompanying notes are an integral part of these statements.

JEFFERSON PARISH FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
(In Thousands)
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash receipts for:		
Investment income on mortgage backed securities	\$ 232	\$ 260
Investment income on investment securities	209	130
JMAP and SMAP income	51	57
Other revenue	7	24
Down payment assistance	26	141
Cash payments for:		
Interest on debt	(124)	(138)
Servicing fees	(28)	(30)
Trustee fees	(32)	(30)
Grant payments	(5)	(5)
Down payment assistance	-	(82)
Jefferson Parish Community Development	(100)	-
Other operating expenses	(552)	(433)
Net cash (used in) provided by operating activities	<u>(316)</u>	<u>(106)</u>
Cash flows from noncapital financing activities		
Proceeds from bond issuance	21,065	-
Bond issue expense	(429)	-
Bond principal payments	(470)	(900)
Net cash (used in) provided by noncapital financing activities	<u>20,166</u>	<u>(900)</u>
Cash flows from investing activities		
Proceeds from investment maturities	5,464	3,793
Acquisition of investment securities	(3,731)	(3,889)
Proceeds from mortgage loan repayments	456	1,016
Net cash (used in) provided by investing activities	<u>2,189</u>	<u>920</u>
Net (decrease) increase in cash and cash equivalents	22,039	(86)
Cash and cash equivalents at beginning of the year	895	981
Cash and cash equivalents at the end of the year	<u>\$ 22,934</u>	<u>\$ 895</u>

Reconciliation of changes in net position to net cash used in operating activities

Changes in net position before operating transfers	\$ 8	\$ (1,352)
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:		
Depreciation (appreciation) in investments and mortgage backed securities	(216)	1,160
(Increase) decrease in assets:		
Accrued interest receivable	(37)	4
Down payment assistance receivable	28	62
Net pension asset & deferred outflows	62	-
Lease right to use asset	23	25
Increase (decrease) in liabilities:		
Accrued interest payable	1	(1)
Accrued expenses	(4)	20
Lease liability	(25)	(24)
Other liabilities	(100)	-
Net pension liability & deferred inflows	(56)	-
Net cash (used in) provided by operating activities	<u>\$ (316)</u>	<u>\$ (106)</u>

The accompanying notes are an integral part of these statements.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Summary of Significant Accounting Policies

Authorizing Legislation

The Jefferson Parish Finance Authority (the Authority) is a public trust, created pursuant to the Constitution and Laws of the State of Louisiana, particularly Chapter 2-A of Title 9 of Louisiana Revised Statutes of 1950, as amended, and the Trust Indenture, dated February 9, 1979, with Jefferson Parish Louisiana as beneficiary. Pursuant to the Trust Indenture, the Authority is authorized to undertake various programs to assist in the financing and development of home ownership in the public interest within the boundaries of Jefferson Parish. The Authority also partners with St. Bernard Parish, St. Charles Parish, and St. Tammany Parish, all of which are located in Louisiana, to assist in the financing and development of home ownership.

The Authority has the power to designate its management, the ability to significantly influence its operations and primary accountability for its fiscal matters. However, the Council of the Parish of Jefferson appoints the Authority's Board members for a three-year term and thereafter has the ability to remove members of the Authority's Board at will. Consequently, the financial statements of the Authority are included as a component unit of the Parish of Jefferson, Louisiana. This report includes all of the funds of the Authority. The Authority does not rely on Jefferson Parish government for revenues.

The Authority's operating revenues are generated from the following sources: (a) investment income from mortgage backed securities, non-mortgage backed agency securities, U.S. Treasury Securities, and Municipal Bonds (b) Bond issuer fee revenue and (c) SMAP/LAP program income (d) grant income.

The Authority's operations consist of single family mortgage purchase bond programs and down payment assistance programs. Under the bond programs mortgage loans are pooled and sold to Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) in exchange for mortgage-backed securities on which GNMA, FNMA, or FHLMC guarantees payment of principal and interest when due. These securities are collateralized by the related loans.

Bonds and other obligations issued under the provisions of the Trust Indenture are not a debt or liability of the State of Louisiana, the Parish of Jefferson, or any other political subdivision. The Authority's Board of Trustees is empowered under the Trust Indentures and the bond program agreements to contract with outside parties to conduct the day-to-day operations of the bond program it initiates. In connection with the programs, the Authority utilizes area financial institutions to originate and service the mortgage notes acquired. In addition, a financial institution has been designated as trustee of the individual bond programs and has the fiduciary responsibility for the custody and investment of funds.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

The Authority began operations on August 1, 1979, and currently has two outstanding bond programs as shown with original issuance amounts below:

<u>Date Issued</u>	<u>Issue Name</u>	<u>Amount (in thousands)</u>
November 22, 2011	Single family mortgage revenue refunding bonds, Series 2009ACF	\$ 25,000
December 21, 2023	Single family mortgage revenue bonds, Series 2003	\$ 20,000

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The proprietary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds.

The Authority uses fund accounting to report its financial position and results of operations. The accounts of the Authority are organized on the basis of individual programs. The programs, which are administered by a trustee bank, provide for a separate set of self-balancing accounts which account for bonds issued, debt service and bond redemption requirements, investments, and related revenues and operating expenses. These individual programs are aggregated in the financial statements to comprise the fund of the Authority.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body had decided that the periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance.

The Authority classifies net position in two components – restricted and unrestricted. Restricted net position consists of constraints placed on net position use through external constraints (bond covenants), laws, regulations, or contractual obligations. Unrestricted net position does not meet the definition of restricted.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Cash Equivalents

Cash equivalents consist of all money market accounts invested in federated government obligations with a maturity of three months or less at date of purchase.

Investment Securities

Investments are reported at fair value. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. The investment securities are restricted for the use of the respective programs with the exception of the investment securities in the 1991 Residual Account which are unrestricted.

Bond Issuance Costs

Costs related to issuing bonds are capitalized and amortized based upon the methods used to approximate the interest method over the term of the bonds.

Bond Retirement Costs

Bond retirement cost, including professional, legal, bond counsel, investment and financial advisory fees, on bonds sold, are expensed as incurred.

Gains or losses associated with bond retirement, as shown in the statement of revenues, expenses, and changes in net position, represent the unamortized portion of either the bond premium (gain) or bond discount (loss). The gain or loss on the unamortized portion is recognized when the bonds are retired. No bonds were retired for the years ending December 31, 2023 and 2022.

Appreciation (Depreciation) in Fair Market Value

Fluctuations in the fair market value of investments and mortgage backed securities are recorded as an income or expense in the statement of revenues, expenses, and changes in net position and the statement of cash flows as appreciation (depreciation) in fair market value. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires investments to be recorded at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties and has been based upon quoted values.

Servicing Fees

Servicing fees are the percentage of each mortgage payment made by a borrower to a mortgage servicer as compensation for keeping a record of payments, collecting and making escrow payments, passing principal and interest payments along to the Authority. Servicing fees are an amount equal to one half of one percent (.50%) of the outstanding principal balances of all the mortgage loans in the pool. The servicing fee is earned monthly by the mortgage servicer.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Issuer Fees

Issuer fees are the periodic fee payable to the issuer (the Authority) under the bond indenture which is payable on the first day of each month and is calculated on the principal amount of the mortgage loans outstanding on the interest payment date. The issuer fee for the 20009ACF program is 0.85% and payable monthly.

Operating Transfers

Operating transfers are made between the bond program(s) and the 1991 program (operations) per the bond indenture. Operating transfers consist of (a) bond issuer fee earned on the program and transferred to the 1991 program, (b) transfer of assets from the bond program(s) once bonds are redeemed and (c) transfer of assets into the bond program(s) to cover the required debt service of the bond program(s).

Down Payment Assistance Receivable

Down payment assistance receivable represents the outstanding SMAP/LAP down payment assistance grants. SMAP/LAP program offers a 3% and 4% down payment assistance grant. The 3% down payment grant is returned to the Authority when the loan is sold. The SMAP 4% down payment grant is returned to the Authority as follows: (a) 3% when the loan is sold (b) the remaining 1% is returned as the mortgage payments are made on the loan. The 3% down payment grant is returned to the Authority on average approximately 63 days from the loan closing date. On average the 1% down payment assistance is fully collected in a period of five years.

Also, down payment assistance receivable represents the outstanding Comfort of Home Program assistance. The Comfort of Home Programs offers 30-year, fixed rate mortgages through the FHA, VA, USADA, Freddie Mac HFA Advantage or Fannie Mae HFA Preferred. Up to 4% down payment and closing cost assistance is provided to the borrower in the form of a 0% interest, deferred, second mortgage which is forgiven after fifteen years. Borrowers may still sell or refinance their home within the fifteen-year period; they will simply owe the full amount of assistance back to the Authority.

Uncollected Down Payment Assistance

There is an inherent risk in the 4% SMAP down payment assistance, whereby the Authority has the potential not to collect the entire 1% of the down payment assistance advanced. On average the 1% down payment assistance is fully collected in a period of five years. The Authority risks not collecting the outstanding 1% down payment assistance if a mortgage is refinanced or foreclosed prior to receiving the entirety of the assistance advanced. The amount of down payment assistance that will not be collected due to a mortgage being retired either through refinance or foreclosure is recorded as an operating expense.

Accrued Interest Receivable

Accrued interest receivable represents the amount of income earned but not yet collected on the investments such as municipal bonds, U.S. Treasury bills, and mortgage backed securities.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Accrued Interest Payable

Accrued interest payable represents the amount of interest owed but not yet paid on the outstanding bonds payable.

Estimates

The Authority has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the balance sheet in conformity with accounting principles generally accepted in the United States of America. Actual amounts could be different from the estimates.

Compensated Absences

Accumulated vacation and sick leave are accrued as an expense of the period in which incurred. The Parish of Jefferson employees, who work on behalf of the Authority, and the employees of the Authority earn vacation pay and sick pay based upon their length of employment and is earned ratably during the span of employment. Upon termination, these individuals are paid full value for any accrued leave earned.

The amount of compensated absence liability recorded by the Authority was \$30.9 thousand and \$28.3 thousand for the years ended December 31, 2023 and 2022 respectively.

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities Loan Receivable

A. Cash, Cash Equivalents and Deposits

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are held by the custodial bank as an agent for the Authority, in the Authority's name, and are thereby not exposed to custodial credit risk. The remaining amount of the Authority's cash balances were comprised of cash equivalents that were invested in money market funds, of which the underlying assets are guaranteed investments in securities issued by the U.S. Government.

At December 31, 2023, the Authority had no cash deposits at a local bank in excess of FDIC (Federal Deposit Insurance Corporation) coverage.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

B. Investments and Mortgage Backed Securities

At December 31, 2023 and 2022, investments were held as specifically required under terms of the Trust Indentures and the State of Louisiana investment laws, more particularly, Louisiana Revised Statutes 33:2955.

Pursuant to the requirement, the Authority had investments in the following obligations

(1) Direct U.S. Treasury obligations, which included U.S. Treasury Bills and U.S. Treasury Notes

(2) Bonds, notes or other evidence of indebtedness issued or guaranteed by federal agencies, such obligations are backed by the full faith and credit of the United State of America. The obligations include: Government National Mortgage Association-guaranteed mortgage-backed bonds and guaranteed pass-through obligations (GNMA); Federal Home Loan Bank System (FHLB); Federal Farm Credit Banks (FCCB); Federal National Mortgage Association (FNMA).

(3) Municipal bonds (bonds issued by the State of Louisiana and political subdivisions of Louisiana, also bonds issued by other states and political subdivisions of such states in the United States of America).

C. Components of Cash, Investments, and Mortgage Backed Securities

The following are the components of the Authority's cash, investments, and mortgage backed securities at December 31, 2023 and 2022 (in thousands):

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<u>2023</u>			
Cash and cash equivalents	\$ 517	\$ 22,417	\$ 22,934
Investments	6,495	-	6,495
Mortgage backed securities	345	5,021	5,366
	<u>\$ 7,357</u>	<u>\$ 27,438</u>	<u>\$ 34,795</u>
<u>2022</u>			
Cash and cash equivalents	\$ 253	\$ 642	\$ 895
Investments	8,049	-	8,049
Mortgage backed securities	393	5,391	5,784
	<u>\$ 8,695</u>	<u>\$ 6,033</u>	<u>\$ 14,728</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

D. Components of Cash – Demand Deposits and Money Market

The following schedules shows the components of the Authority’s cash and cash equivalents by program at December 31, 2023 and 2022 (in thousands):

	2023			2022		
	(in thousands)			(in thousands)		
	Demand Deposit	Money Market	Total	Demand Deposit	Money Market	Total
Cash & Cash Equivalents						
1991 Program	\$ 51	\$ 466	\$ 517	\$ 5	\$ 396	\$ 401
Comfort of Home Program	-	5	-	-	-	-
Home Program	-	191	191	-	291	291
Pilot Program	247	-	247	247	-	247
2009ACF Program	-	47	47	-	42	42
2003 Program	-	21,927	21,927	-	-	-
Total Cash & Cash Equivalents	\$ 298	\$ 22,636	\$ 22,929	\$ 252	\$ 729	\$ 981

E. Restricted Cash by Program

The following schedules shows the Authority’s unrestricted and restricted cash and cash equivalents by program at December 31, 2023 and 2022 (in thousands):

	2023			2022		
	(in thousands)			(in thousands)		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Cash & Cash Equivalents						
1991 Program	\$ 517	\$ -	\$ 517	\$ 401	\$ -	\$ 401
Comfort of Home Program	-	5	5	-	-	-
Home Program	-	191	191	-	291	291
Pilot Program	-	247	247	-	247	247
2009ACF Program	-	47	47	-	42	42
2003 Program	-	21,927	21,927	-	42	42
Total Cash & Cash Equivalents	\$ 517	\$ 22,417	\$ 22,934	\$ 401	\$ 622	\$ 1,023

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

F. Components of Unrestricted Investments

The following are the components of the Authority's unrestricted investments, reported at fair value, by program at December 31, 2023 and 2022 (in thousands): The Authority's investments U.S Treasury Bills and Notes, Municipal Bonds, Federal National Mortgage Association Certificates (FNMA) , Federal Home Loan Bank (FHLB) Certificate, and Federal Farm Credit Bank (FFCB) Certificates.

	2023 <u>(in thousands)</u>	2022 <u>(in thousands)</u>
Unrestricted Investments - 1991 Program		
US Treasury Bills & Notes	\$ 591	\$ 1,554
Municipal Bonds	2,341	4,255
FNMA Certificates	233	-
FHLB, FFCB Certificates	3,330	2,240
	<u>\$ 6,495</u>	<u>\$ 8,049</u>

G. Components of Mortgage Backed Securities – Restricted and Unrestricted

Mortgage backed securities for the 2009ACF program represent mortgage pass-through certificates (GNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. The GNMA (Government National Mortgage Association or Ginnie Mae) certificates are fully guaranteed by the United States government; the Authority is not responsible for mortgage loan insurance The following are the components of the Authority's mortgage-backed securities, reported at fair value, by program at December 31, 2023 and 2022 (in thousands):

	<u>2023</u>			<u>2022</u>		
	(in thousands)			(in thousands)		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Mortgage Backed Securities						
GNMA Certificates						
1991 Program	\$ 345	\$ -	\$ 345	\$ 393	\$ -	\$ 393
2009ACF Program	-	5,021	5,021	-	5,391	5,391
Total Mortgage Backed Securities	<u>\$ 345</u>	<u>\$ 5,021</u>	<u>\$ 5,366</u>	<u>\$ 393</u>	<u>\$ 5,391</u>	<u>\$ 5,784</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

H. Maturities of Investment and Mortgage Backed Securities

The following tables shows the Authority's maturities of its investments and mortgage backed securities accounts at December 31, 2023:

	Remaining Maturity in Years				
	Fair Value	Less Than 1	1-5	6-10	>10
	(in thousands)				
Investments					
US Treasury Notes	\$ 591	\$ -	\$ 591	\$ -	\$ -
Municipal Bonds	2,341	1,117	1,026	99	99
FNMA Certificates	233	-	233	-	-
FHLB, FFCB Certificates	3,330	874	2,456	-	-
Subtotal Investments	<u>6,495</u>	<u>1,991</u>	<u>4,306</u>	<u>99</u>	<u>99</u>
Mortgage-backed securities					
Mortgage-backed securities - Unrestricted	345	-	-	286	59
Mortgage-backed securities - Restricted	5,021	-	-	-	5,021
Subtotal Mortgage-backed securities	<u>5,366</u>	<u>-</u>	<u>-</u>	<u>286</u>	<u>5,080</u>
Total Investment & Mortgage-backed securities	<u>\$ 11,861</u>	<u>\$ 1,991</u>	<u>\$ 4,306</u>	<u>\$ 385</u>	<u>\$ 5,179</u>

I. Appreciation (Depreciation) in Market Value Investment and Mortgage Backed Securities

Fluctuations in the fair market value of investments and mortgage backed securities are recorded as an income or expense in the statement of revenues, expenses, and changes in net position and the statement of cash flows as appreciation (depreciation) in fair market value.

The table below details the depreciation in market value as shown on the financial statements for the year ended December 31, 2023. The amounts below are shown in thousands.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

I. Appreciation (Depreciation) in Market Value Investment and Mortgage Backed Securities
(continued)

	2022			Increase (Decrease) 2023 vs 2022		
	Market Value	Cost	Difference between Cost & Market Value	Market Value	Cost	Difference between Cost & Market Value
U.S. Treasury Notes & Bills	\$ 1,554	\$ 1,568	\$ (14)	\$ (963)	\$ (979)	\$ 16
Municipal Bonds	4,255	4,431	(176)	(1,914)	(2,023)	109
FHLB/FFCB Certificates	2,240	2,368	(128)	233	228	5
FNMA Certificates	-	-	-	1,090	1,041	49
Total Investments	8,049	8,367	(318)	(1,554)	(1,733)	179
Mortgage-backed securities - Unrestricted	393	393	-	(48)	(49)	1
Mortgage-backed securities - Restricted	5,391	5,876	(485)	(370)	(407)	37
Total Mortgage-backed securities	5,784	6,269	(485)	(418)	(456)	38
Grand Total	\$ 13,833	\$ 14,636	\$ (803)	\$ (1,972)	\$ (2,189)	\$ 217

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

J. Investments and Mortgage Backed Securities - Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The authority manages interest rate risk by matching the expected future maturity of the investments and mortgage backed securities receivable to the expected cash flow needs and bonds payable requirements. The Authority also limits the maximum maturity of investments in accordance with their investment policy.

The Authority receives a rate equal to the stated interest rate net the .50% servicer/administrator fee retained by the Servicer for GNMA securities in the 2009 ACF Program. The mortgage loans have stated interest rates to the Authority as follows:

<u>Program</u>	<u>Interest Rates</u>
2009ACF Program	3.40%
2003 Program	3.5% to 6.5% with varying maturity dates by cusip

K. Investments and Mortgage Backed Securities - Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the Authority. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not assigned credit quality ratings. Credit quality ratings are reported on obligations of U.S. Government agencies not explicitly guaranteed by the U.S. Government.

Failure of the financial institutions to meet minimum credit ratings requires the institutions to provide collateral to support the investment contract.

The following table provides information on the credit ratings associated with the Authority's investments in debt securities at December 31, 2023. (in thousands of dollars):

<u>S&P Rating</u>	<u>Mortgage-backed Securities in the 2009 ACF Program</u>
AA+	\$ 5,021

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2. Cash, Cash Equivalents, Investment Securities, and Mortgage Backed Securities
(Continued)

L. Investments and Mortgage Backed Securities - Concentration of Credit Risk

As of December 31, 2023, management believes all investments held and purchased for the Authority's portfolio, as it relates to Acts 374 and 1126 (effective June 29, 1995) adhered to the permitted investments section of LSA-R.S. 33:2955.

Note 3. Liabilities

A. Bonds Payable

The Authority is in compliance with its bond covenants at December 31, 2023 and 2022.

Under the Trust Indenture for the 2009ACF program, the Authority has the option to redeem bonds maturing on or after any date as a whole at a redemption price equal to 100% of the principal amount thereof being redeemed, plus interest accrued to the date fixed for redemption.

The bond programs have early bond calls based on the timing of the receipt of mortgage loan principal and interest payments. As excess cash is accumulated, the Authority is required to issue bond calls.

Bonds payable are as follows at December 31:
(amounts in thousands)

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2023</u>	<u>2022</u>
Series 2009ACF, Single family mortgage revenue refunding bonds,	12/1/2041	2.32%	<u>\$ 5,040</u>	<u>\$5,510</u>
Series 20023, Single family mortgage revenue bonds,	<i>Serial Bonds</i>			
	07/01/25	3.50%	65	-
	01/01/32	3.90%	95	-
	07/01/32	3.95%	95	-
	01/01/33	4.00%	100	-
	07/01/23	4.00%	100	-
	07/01/34	4.00%	105	-

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

A. Bonds Payable (continued)

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2023</u>	<u>2022</u>
Series 20023, Single family mortgage revenue bonds,				
<i>Term Bonds</i>				
	07/01/26	3.50%	140	-
	07/01/27	3.60%	140	-
	07/01/28	3.65%	155	-
	07/01/29	3.75%	160	-
	07/01/30	3.80%	170	-
	07/01/31	3.85%	180	-
	07/01/38	4.35%	1,095	-
	07/01/43	4.65%	1,635	-
	07/01/48	4.95%	2,215	-
	07/01/54	5.00%	3,750	-
	01/01/55	6.50%	9,800	-
			<u>20,000</u>	<u>-</u>
		<i>Bond Premium</i>	1,064	-
		<i>Bond Issuance Costs, unamortized</i>	<u>(429)</u>	<u>-</u>
			<u>\$ 20,635</u>	<u>\$ -</u>
Total bonds payable, premium on bonds payable, less unamortized issuance costs			<u><u>\$ 25,675</u></u>	<u><u>\$ 5,510</u></u>

Term bonds are bonds which mature or come due on a single date. Serial bonds are bonds which do not mature or come due on a single date.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

A. Bonds Payable (continued)

A summary of scheduled bond maturities (in thousands) as of December 31, 2023, is as follows:

2009ACF Program			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 240	\$ 120	\$ 360
2025	246	114	360
2026	252	108	360
2027	258	102	360
2028	264	96	360
2029-2033	1,414	386	1,800
2034-2038	1,587	213	1,800
2039-2041	779	36	815
Total	<u>\$ 5,040</u>	<u>\$ 1,175</u>	<u>\$ 6,215</u>

2003 Program			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	-	557	557
2025	120	1,115	1,235
2026	260	1,106	1,366
2027	270	1,093	1,363
2028	290	1,079	1,369
2029-2033	1,700	5,157	6,857
2034-2038	2,270	4,651	6,921
2039-2043	3,080	3,939	7,019
2044-2048	4,185	2,945	7,130
2049-2053	5,725	1,569	7,294
2054-2055	2,100	130	2,230
Total	<u>\$ 20,000</u>	<u>\$ 23,341</u>	<u>\$ 43,341</u>

Total All Programs			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	360	1,235	1,595
2025	506	1,220	1,726
2026	522	1,201	1,723
2027	548	1,181	1,729
2028	1,964	5,253	7,217
2029-2033	3,684	5,037	8,721
2034-2038	4,667	4,152	8,819
2039-2043	4,964	2,981	7,945
2044-2048	10,765	2,744	13,509
2049-2053	2,100	130	2,230
2054-2055	20,000	23,341	43,341
Total	<u>\$ 50,080</u>	<u>\$ 48,475</u>	<u>\$ 98,555</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

B. Leases – Lease Liability and Right to Use Asset

Lease Agreements

The Authority has entered into lease agreements involving office space and equipment for operations. The terms and conditions of the leases are noted below. The incremental borrowing rate of 2.32% was utilized by the Authority, based on the Authority's historical borrowing rate from the 2009 bond issue. The total of the Authority's leased assets are recorded at a cost of \$233,127 less accumulated amortization of \$135,2179.

In 2018, the Authority entered into a lease agreement with Jefferson Parish for the purpose of leasing office space for a rate of \$19.00 per square foot for an annual rent of \$26,562 payable in equal monthly installments. The lease is for an initial term of eight months effective May 2018 and thereafter for a full term of three years. The lease provides for two three year options to renew.

In 2017, the Authority entered into a lease agreement for the purpose of leasing the office copier for a rate of \$107.45 for 60 months. The lease expired in 2023.

In 2023, the Authority entered into a lease agreement for the purpose of leasing the office copier for a rate of \$112.64 for 24 months.

The future lease payments under these agreements are as follows:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,801	\$ 2,108	\$ 27,909
2025	25,043	1,519	26,562
2026	25,630	932	26,562
2027	26,231	331	26,562
Total	<u>\$ 102,705</u>	<u>\$ 4,890</u>	<u>\$ 107,595</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability

Accounting Pronouncement

The Authority has implemented the provisions of Government Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27. GASB Statement No. 68 established accounting and financial reporting requirements related to pensions for governments whose employees are provided with pension through plans covered by Statement No. 67, Financial reporting for Pension Plans.

Plan Description

Employees of the Jefferson Parish Finance Authority (the “Authority”) are provided with a pension through a cost-sharing, multiple-employer, defined benefit plan administered by the Parochial Employees’ Retirement System of Louisiana (PERS). PERS is a state-wide public retirement system for the benefit of all employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of PERS. PERS was established and provided for within LSA-RS 11:1901 through 11:2025. The plan is a qualified plan as defined by the Internal Revenue Service Code Section 401 (a), effective January 1, 1993. Membership in PERS is a condition of employment for the full-time employees of the Authority.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Employees of the Authority are members of Plan A.

The Authority was an admitted as employer in PERS in July 2019. For the year ended December 31, 2023 and 2022 the Authority had one employee participating. The other three employees of the Authority are actually participants of the Jefferson Parish retirement system.

For the year ended December 31, 2022, there were 290 contributing employers in Plan A and 50 in Plan B. Statewide retirement membership consisted of:

	<u>Plan A</u>	<u>Plan B</u>	<u>Total</u>
Inactive plan members or beneficiaries receiving benefits	8,284	1,074	9,358
Inactive plan members entitled to but Not yet receiving benefits	10,332	2,218	12,550
Active members	<u>13,412</u>	<u>2,314</u>	<u>15,726</u>
Total Participating as of the Valuation Date	<u>32,028</u>	<u>5,606</u>	<u>37,634</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

PERS administers a plan to provide retirement, disability, and survivor's benefits to eligible employees and their beneficiaries as defined in the plan. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by the plan and vary depending on the member's hire date.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for the system for the fiscal year ended December 31, 2022. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov, or by contacting the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana. 70809.

Eligibility Requirements

All permanent Authority employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

A member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) years or more of creditable service
2. Age 55 with twenty five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of service
2. Age 62 with ten (10) years of service
3. Age 67 with seven (7) years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three (3) percent of the member's final average compensation multiplied by his/her years of service, not to be less than fifteen (15), or three (3) percent multiplied by years of service assuming continued service to age sixty.

Deferred Retirement Option Plan (DROP)

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Parochial Employees' Retirement System of Louisiana. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three (3) years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individuals subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the State or PERS, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

Cost of Living Adjustments

The Board of Trustees (the “Board”) is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are age sixty-five (65) equal to 2% of the member’s benefit paid on October 1, 1977, (or the member’s retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older as provided in Louisiana Revised Statute 11:1937. Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

Contributions for all members are established by State statute at 9.5% of compensation for Plan A and 3.0% of compensation for Plan B. The contributions are deducted from the member’s salary and remitted by the participating employer.

According to State statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.1% of member’s compensation for Plan A and 4.93% of member’s compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2022 was 11.5% for Plan A and 7.50% for Plan B.

According to State statute, PERS also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Louisiana Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member’s compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities.

Administrative costs of PERS are financed through employer contributions.

The Authority’s employer and employee contributions to PERS for the measurement date fiscal year ended December 31, 2022 were as follows:

Source	Contribution Amount	Covered Payroll	Percent of Covered Payroll
Employee	\$ 4,523	47,609	9.5%
Employer	5,475	47,609	11.50%
	\$ 9,998		

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Authority reported a net pension liability of \$27,011 for its proportionate share of the PERS Net Pension Asset (NPA). The NPA for PERS was measured as of December 31, 2022 and the total pension asset used to calculate the NPA was determined based on an actuarial valuation as of that date. The Authority's proportion of the NPA was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2022, the most recent measurement date, the Authority's proportion was 0.007018%, a decrease of 0.011899% from the December 31, 2021 proportion.

For the year ended December 31, 2023, the Authority recognized a total pension expense of \$18,892. This amount was made up of the following:

Components of Pension Expense (Benefit)	Amount
Authority's pension expense per the PERS	\$ 21,204
Authority's amortization of actual contributions over its proportionate share of contribution	(2,312)
Total Pension Expense Recognized by the Authority	<u>\$ 18,892</u>

For the year ended December 31, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 999	\$ 2,976
Differences between projected and actual investment earnings	-	-
Change in assumptions	29,377	-
Change in proportionate share of the Net Pension Liability	10,788	63
Differences between the Authority's contributions and its proportionate share of contributions	-	2,319
Authority's contributions subsequent to the December 31, 2022 measurement date	11,395	-
	<u>\$ 52,559</u>	<u>\$ 5,358</u>

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

Deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date in the amount of \$11,395 will be recognized as a reduction of the PERS NPA in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended December 31,	Amount of Amortization
2023	\$ 4,438
2024	7,032
2025	11,555
2026	12,781

Actuarial Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2022 actuarial valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period January 1, 2013 to December 31, 2017, unless otherwise specified.

A summary of the actuarial methods and assumptions used in determining the total pension liability/(asset) as of December 31, 2022, are as follows:

Description	Assumptions / Methods
Valuation Date	December 31, 2021
Actuarial Cost Method	Plan A - Entry Age Normal Cost
Investment Rate of Return	Plan A - 6.40% (Net of investment expense), including inflation
Inflation Rate	Plan A - 2.30%
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

The Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real assets	2%	0.12%
Totals	<u>100%</u>	<u>5.60%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u>7.70%</u>

Discount Rate

The discount rate used to measure the total pension liability/(asset) was 6.40% for Plan A and 6.50% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the PERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

C. Pension Expense, Net Pension Liability (continued)

Sensitivity of the Proportionate Share of the NPL/A to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the NPL/A using the current discount rate of 6.40%, as well as what the Authority’s proportionate share of the NPL/A would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate.

	Changes in Discount Rate		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$66,799	\$27,011	(\$6,346)

Pension Plan Fiduciary Net Position

The components of the net position liability of PERS employers as of December 31, 2022, are as follows:

	Plan A	Plan B
Total Pension Liability	\$ 4,658,944,882	\$ 414,535,459
Plan Fiduciary Net Position	4,274,065,818	390,726,543
Net Pension Liability (Asset)	<u>\$ 384,879,064</u>	<u>\$ 23,808,916</u>

Detailed information about PERS’s fiduciary net position is available in the separately issued December 31, 2022 financial report. This report can be found on the Louisiana Legislative Auditor’s website (www.lla.la.gov) in the database of reports.

Payables to the Pension Plan

At December 31, 2023, the Authority had \$1,616 in payments due to PERS in payables at year end. These payables are transmitted by the Jefferson Parish Finance Department as paymaster for the Authority.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 3. Liabilities (continued)

D. Change in Long Term Liabilities

The Authority's change in Long term liabilities is shown below:
(amount in thousands)

	<u>2022</u> Ending Balance	Increase	Decrease	<u>2023</u> Ending Balance
Compensated Absence	\$ 30	\$ 3		\$ 33
Lease Liability	128	-	(25)	103
Bonds Payable	5,510	20,639	(470)	25,679
Total	<u>\$ 5,668</u>	<u>\$ 20,642</u>	<u>\$ (495)</u>	<u>\$ 25,815</u>

Note 4. Net Position

A. Restricted Net Position – 1991 Program

The net position included in the 1991 Program (operations program), totaling \$9.2 million and \$8.7 million thousand as of December 31, 2023 and 2022, respectively, are for the benefits of all Programs and available to the Authority for its purpose of promoting and providing residential housing in the Parish of Jefferson. Although unrestricted to a particular program, the unrestricted net position must be maintained by the Authority until all bonds and programs are liquidated. The remaining net position is restricted for specific operating uses as described in the trust indentures.

B. Restricted Net Position PILOT Program - Terrytown

In February 2020, The Authority executed an intergovernmental agreement between with Jefferson Parish (the Parish). The public purpose of the project is described as implementing a Pilot Program to enhance, transform, and revitalize the housing stock of Terrytown neighborhood in Jefferson Parish which will improve the quality of life and general welfare of the citizens living in Jefferson Parish and promote future economic development in the surrounding neighborhood. Jefferson Parish Council District 1 allocated \$250,000 as seed money for the Pilot Program for the purposes of constructed a model home and/or renovating an existing home for the Pilot Program. The Parish paid to the Authority \$250,000 to implement the Pilot program.

In February 2020, the Authority executed a cooperative endeavor agreement with the New Orleans Education League of the Construction Industry (NOEL), an independent non-profit organization, in consultation with the Home Builders Association of Greater New Orleans. NOEL accepted the role of construction manager, property purchaser, homebuilder (renovator) administration. Home seller in the Pilot Program. The Authority transferred to NOEL \$250,000 pursuant to a draw schedule. In December 2020, the model home was completed and offer on the home was accepted. NOEL closed on the home sale in January 2022 and subsequently returned to the Authority \$246,742 (which represented the sales proceeds less the cost to build).

At December 31, 2023, the Authority has the restricted the \$246,742 for future PILOT program activities.

JEFFERSON PARISH FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 5. Related Party Transactions

The Parish of Jefferson paid employee salaries and related expenses on behalf of the Authority in the amount of (in thousands) \$279.6 and \$348.3 for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Authority had other liabilities due to the Parish of Jefferson for the employee expenses in the amount of (in thousands) \$62.9 and \$31.6 respectively.

The Authority pays the Parish of Jefferson for rent of its office space. The amounts (in thousands) were \$27 and \$27 for the years ended December 31, 2023 and 2022, respectively.

The Authority pays the Parish of Jefferson a portion of the annual cost of the building's security detail. The amounts (in thousands) were \$7 and \$7 for years ended December 31, 2023 and 2022, respectively.

The Authority pays the Parish of Jefferson an indirect cost fee. The amounts (in thousands) were \$13 and \$8 for years ended December 31, 2023 and 2022, respectively.

The Authority pays the Parish of Jefferson for the use of telephone and computer services. The amounts (in thousands) were \$7 and \$7 for years ended December 31, 2023 and 2022, respectively.

In 2016, the Authority entered into a cooperative endeavor agreement with the Parish of Jefferson. The Authority on behalf of the Parish of Jefferson's Department of Community Development shall wire funds of the HOME investment Partnerships Program. This endeavor continued in 2023.

Note 6. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 24, 2024

SUPPLEMENTAL INFORMATION

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
As of December 31, 2023*

Year Ended December 31,	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage of the Total Pension Liability
2019	PERS Plan A	0.010358%	\$ 488	\$ 113,673	0.4%	99.89
2020	PERS Plan A	0.190620%	\$ (33,424)	\$ 121,087	-27.6%	104.00%
2021	PERS Plan A	0.018917%	\$ (89,107)	\$ 126,922	-70.2%	110.46%
2022	PERS Plan A	0.007018%	\$ 27,011	\$ 47,609	56.7%	91.74%

*Amounts presented were determined as of the measurement date

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
As of December 31, 2023**

Year Ended December 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2019	PERS Plan A	\$ 7,553	\$ 7,553	\$ -	\$ 65,678	11.50%
2020	PERS Plan A	\$ 13,925	\$ 13,925	\$ -	\$ 121,087	12.25%
2021	PERS Plan A	\$ 15,548	\$ 15,548	\$ -	\$ 126,922	12.25%
2022	PERS Plan A	\$ 5,475	\$ 5,475	\$ -	\$ 47,609	11.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF ASSET, LIABILITIES, AND NET POSITION BY PROGRAM
(In Thousands)
As of December 31, 2023

	1991 Program	2009ACF Program	2023 Program	HOME Program	PILOT Program	COH Program	Total
Assets							
Cash and cash equivalents	517	47	21,927	191	247	5	22,934
Investment securities at fair value	6,495	-	-	-	-	-	6,495
Accrued interest receivable	49	14	33	-	-	-	96
Down payment assistance and other receivables	31	-	-	-	-	-	31
Lease-right to use asset	98	-	-	-	-	-	98
Mortgage-backed securities	345	5,021	-	-	-	-	5,366
Total Assets	\$ 7,535	\$ 5,082	\$ 21,960	\$ 191	\$ 247	\$ 5	\$ 35,020
Defererd Outflows of Resources							
Deferred outflows related to net pension liability	\$ 53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53
Liabilities							
Accrued interest payable	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 9
Accrued expenses	100	-	-	-	-	3	103
Lease liabilities	103	-	-	-	-	-	103
Net pension liability	27	-	-	-	-	-	27
Other liabilities	-	-	-	184	-	-	184
Bonds payable	-	5,040	20,635	-	-	-	25,675
Total Liabilities	\$ 230	\$ 5,049	\$ 20,635	\$ 184	\$ -	\$ 3	\$ 26,101
Defererd Inflows of Resources							
Deferred inflows related to net pension liability	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5
Net Position							
Restricted for debt	\$ -	\$ 33	\$ 1,325	\$ -	\$ -	\$ -	\$ 1,358
Restricted for program	-	-	-	7	247	2	256
Unrestricted							
Undesignated	1,051	-	-	-	-	-	1,051
Designated	6,302	-	-	-	-	-	6,302
Total Net Position	\$ 7,353	\$ 33	\$ 1,325	\$ 7	\$ 247	\$ 2	\$ 8,967
Total Liabilities and Net Position	\$ 7,588	\$ 5,082	\$ 21,960	\$ 191	\$ 247	\$ 5	\$ 35,073

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM
(In Thousands)
As of December 31, 2023

	1991 Program	2009ACF Program	2023 Program	HOME Program	PILOT Program	COH Program	Total
Operating Revenues							
Investment income on mortgage loans	\$ 26	\$ 206	\$ -	\$ -	\$ -	\$ -	\$ 232
Investment income on investment securities	210	2	34	-	-	-	246
(Depreciation) appreciation in fair market value of investments and mortgage backed securities	179	37	-	-	-	-	216
JMAP, SMAP, COH Program revenue	51	-	-	-	-	-	51
Other revenue	3	-	-	-	-	1	4
Total Operating Revenues	469	245	34	-	-	1	749
Operating Expenses							
Interest on debt	-	122	-	-	-	-	122
Servicing fees	-	28	-	-	-	-	28
Trustee fees	19	4	8	-	-	1	32
Bond issuance costs	-	-	-	-	-	-	-
Uncollected down payment assistance	2	-	-	-	-	-	2
Grant expense	5	-	-	-	-	-	5
Other operating expenses	552	-	-	-	-	-	552
Total Operating Expenses	578	154	8	-	-	1	741
Change in net assets before other financing sources (uses)	(109)	91	26	-	-	-	8
Other financing sources (uses)							
Operating transfers (issuer fee)	(1,254)	(47)	1,299	-	-	2	-
Change in Net Assets	(1,363)	44	1,325	-	-	2	8
Net Position at Beginning of Year	8,716	(11)	-	7	247	-	8,959
Net Position at End of Year	\$ 7,353	\$ 33	\$ 1,325	\$ 7	\$ 247	\$ 2	\$ 8,967

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF CASH FLOWS BY PROGRAM
(In Thousands)
As of December 31, 2023

	1991 Program	2009 Program	2023 Program	Home Program	Pilot Program	COH Program	Total Program
Cash flows from operating activities:							
Cash receipts for:							
Investment income on mortgage backed securities	26	206	-	-	-	-	232
Investment income on investment securities	206	3	-	-	-	-	209
JMAP and SMAP income	51	-	-	-	-	-	51
Other revenue	3	-	-	-	-	4	7
Downpayment assistance	26	-	-	-	-	-	26
Cash payments for:							
Interest on debt	-	(124)	-	-	-	-	(124)
Servicing fees	-	(28)	-	-	-	-	(28)
Trustee fees	(19)	(4)	(8)	-	-	(1)	(32)
Grant	(5)	-	-	-	-	-	(5)
Jefferson Parish Community Development	-	-	-	(100)	-	-	(100)
Other operating expenses	(552)	-	-	-	-	-	(552)
Net cash (used in) provided by operating activities	(264)	53	(8)	(100)	-	3	(316)
Cash flows from noncapital financing activities:							
Proceeds from bond issuance	-	-	21,065	-	-	-	21,065
Bond issue expense	-	-	(429)	-	-	-	(429)
Bond principal payments	-	(470)	-	-	-	-	(470)
Operating transfers	(1,254)	(47)	1,299	-	-	2	-
Net cash (used in) provided by noncapital financing activities	(1,254)	(517)	21,935	-	-	2	20,166
Cash flows from investing activities							
Proceeds from investment maturities	5,464	-	-	-	-	-	5,464
Acquisition of investment securities	(3,731)	-	-	-	-	-	(3,731)
Proceeds from mortgage loan repayments	49	407 [¶]	-	-	-	-	456
Net cash (used in) provided by investing activities	1,782	407	-	-	-	-	2,189
Net (decrease) increase in cash and cash equivalents	264	(57)	21,927	(100)	-	5	22,039
Cash and cash equivalents at beginning of the year	253	104	-	291	247	-	895
Cash and cash equivalents at the end of the year	\$ 517	\$ 47	\$ 21,927	\$ 191	\$ 247	\$ 5	\$ 22,934

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF CASH FLOWS BY PROGRAM
(In Thousands)
As of December 31, 2023

	1991 Program	2009 Program	2023 Program	Home Program	Pilot Program	COH Program	Total Program
Reconciliation of changes in net position to net cash used in operating activities:							
Changes in net position before transfers	\$ (109)	\$ 91	\$ 26	\$ -	\$ -	\$ -	\$ 8
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities							-
Depreciation (appreciation) in investments and mortgage back securities	(179)	(37)	-	-	-	-	(216)
(Increase) decrease in assets:							-
Accrued interest receivable	(4)	1	(34)	-	-	-	(37)
Down payment assistance	28	-	-	-	-	-	28
Net pension asset & deferred outflows	62	-	-	-	-	-	62
Lease right to use asset	23	-	-	-	-	-	23
Increase (decrease) in liabilities:							-
Accrued interest payable	-	(2)	-	-	-	3	1
Accrued expenses	(4)	-	-	-	-	-	(4)
Lease liability	(25)	-	-	-	-	-	(25)
Other liabilities	-	-	-	(100)	-	-	(100)
Net pension liability & deferred inflows	(56)	-	-	-	-	-	(56)
Net cash (used in) provided by operating activities	\$ (264)	\$ 53	\$ (8)	\$ (100)	\$ -	\$ 3	\$ (316)

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF OPERATING EXPENSES
(In Thousands)
For the Year Ended December 31, 2023

	2023	2022
Operating Expenses		
Advertising	\$ 33.20	\$ 4.80
Auto Expense	9.80	4.70
Computer Expense	5.10	12.40
Dues and Subscriptions	2.90	2.30
Education and Seminars	3.90	2.70
Insurance	45.30	47.20
Miscellaneous Expense	1.80	2.80
Office Expense	1.00	1.10
Parish Assessment Expense	5.80	13.20
Physicals and drug tests	-	0.84
Postage	0.60	0.60
Professional Fees	42.00	53.30
Publication cost	2.10	-
Rent	27.60	28.70
Pension and Retirement	40.10	9.40
Salaries and Wages	284.40	218.60
Security	8.10	7.50
Telephone	2.40	2.00
Training	1.80	-
Travel	5.70	9.50
Board Per Diem	28.40	30.50
Capital expenditure	-	0.70
	<u>-</u>	<u>0.70</u>
Total Operating Expenses	<u>\$ 552.0</u>	<u>\$ 452.8</u>

JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF BOARD MEMBERS' COMPENSATION
For the Year Ended December 31, 2023

The members of the Jefferson Parish Finance Authority's (the Authority) Board of Trustees receive per diem payments for Board meetings attended; approved committee meetings and services rendered and are also reimbursed for actual expenses incurred in the performance of their duties as members of the Board of Trustees.

For the year ended December 31, 2023, the following per diem payments were made to the members of the Authority's board:

	Number of Meetings			2023 Total	Per Diem Payment	Travel Reimbursement
	Regular Board Meetings	Extra Meetings Attended	Conference Meetings Attended			
Berthelot, Jackie	18	1	-	19	\$ 2,850	\$ -
Bourgeois, Sally	21	1	4	26	3,900	1,058
DiMarco, Dennis	18	8	4	30	4,500	1,247
Faia, Gregory	17	8	-	25	3,750	-
Muscarello, Frank L.	22	8	-	30	4,500	-
Planer, Marcy L.	21	8	4	33	4,950	1,018
Smith, Carol	1	-	-	1	150	-
Strohmeyer, Elizabeth	20	1	4	25	3,750	1,018
					<u>\$ 28,350</u>	<u>\$ 4,341</u>

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE DIRECTOR
For the Year Ended December 31, 2023**

Executive Director

Lauren M. Ruppel

	Amount
Salary	\$ 99,083
Benefits-Medical Insurance	-
Benefits-Retirement	11,395
Benefits-Life Insurance	165
Benefits-Other (Medicare, Workman's compensation & Unemployment)	2,227
Benefits-Accrued leave reimbursement	1,726
Car Allowance	9,846
Cell Phone	1,020
Conference Hotel	-
Conference Travel	1,308
Registration Fees	980
Vehicle provided by government	-
Per Diem	-
Travel-Other Meetings	-
Tuition-Jeferson Chamber Foundation Leadership Class	1,800
Continuing Professional Education Fees	-
Unvoucherd Expense	-
	<u>\$ 129,550</u>

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

To Board of Trustees
Jefferson Parish Finance Authority
Harahan, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Jefferson Parish Finance Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Jefferson Parish Finance Authority’s basic financial statements, and have issued our report thereon dated May 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson Parish Finance Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Parish Finance Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson Parish Finance Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co. CPAs
a professional accounting corporation

Gretna, Louisiana
May 24, 2024

COMPLIANCE SECTION

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2023**

We have audited the financial statements of Jefferson Parish Finance Authority (the Authority) as of and for the year ended December 31, 2023, and have issued our report thereon dated May 28, 2023. 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. Our audit of the financial statements as of December 31, 2023, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

b. Federal Awards

The Authority did not expend federal awards exceeding \$750,000 during the year ended December 31, 2023, and therefore is exempt from the audit requirements under the Uniform Guidance.

Section II Financial Statement Findings

a. Issues of Noncompliance

None.

b. Significant Deficiency

None.

c. Material Weakness

None.

d. Management Letter

None.

Section III Federal Award Findings and Questions Costs

None.

**JEFFERSON PARISH FINANCE AUTHORITY
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2023**

Section I – Internal Control and Compliance Material to the Financial Statements

None.

Section II – Internal Control and Compliance Material to the Federal Awards

None.

Section III – Management Letter

None.

**JEFFERSON PARISH FINANCE AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2023**

Section I – Internal Control and Compliance Material to the Financial Statements

None.

Section II – Internal Control and Compliance Material to the Federal Awards

None.

Section III – Management Letter

None.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Jefferson Parish Finance Authority and the Louisiana Legislative Auditor:

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

Jefferson Parish Finance Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Procedures performed. No exceptions noted.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: Procedures performed. No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Procedures performed. No exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: Procedures performed. No exceptions noted.

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

Results: Procedures performed. No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results: Procedures performed. No exceptions noted.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Procedures performed. No exceptions noted.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: Procedures performed. No exceptions noted.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: Procedures performed. No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Results: Procedures performed. No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

This section not applicable to the entity. The Jefferson Parish Finance Authority does not have or utilize credit cards, debit cards, fuel cards or purchase cards.

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Procedures performed. No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Procedures performed. No exceptions noted.

9) Payroll and Personnel

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

Results: Procedures performed. No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: Procedures performed. No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Results: Procedures performed. No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: Procedures performed. No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Procedures performed. No exceptions noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Procedures performed. No exceptions noted.

11) Debt Service

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

Results: Procedures performed. No exceptions noted.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Procedures performed. No exceptions noted.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results: Procedures performed. No exceptions noted.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: Procedures performed. No exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: Procedures performed. No exceptions noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: Procedures performed. No exceptions noted.

Camnetar & Co., CPAs

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We were engaged by Jefferson Parish Finance Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation
Gretna, Louisiana
May 24, 2024