

EISNERAMPER

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2023



IBERIA ECONOMIC DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Iberia Economic Development Authority
New Iberia, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Iberia Economic Development Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 governmental activities and the major fund of the Iberia Economic Development Authority (the Authority), as of and for the year ended June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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.

Auditors' 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 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 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 and analysis and budgetary comparison information on pages 4 - 8 and 21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head (the Schedule) on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is presented to comply with the provisions of Louisiana Revised Statute 24:513. The Schedule 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 Schedule is 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 January 2, 2024, on our consideration of the 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 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 the Authority's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Lafayette, Louisiana
January 2, 2024



IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

This section of the Iberia Economic Development Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2023. This document focuses on current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased by \$486,794 during the course of this year's operations, compared to \$681,393 in the prior fiscal year.
- Governmental activities revenue decreased \$151,902 from the prior year, primarily due to state funds appropriated for the Progress Point Business Park development.
- The governmental fund reported a fund balance of \$246,426 at year end, a decrease of \$31,989 from the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Authority's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Authority government, reporting the Authority's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like economic development were financed in the short term as well as what remains for future spending.

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 required supplementary information that further explains and supports the information in the financial statements. The figure below shows how the required parts of this annual report are arranged and relate to one another.

	Government-wide Financial Statements	Governmental Fund Statements
Scope	Entire Authority government	The activities of the Authority that are not proprietary or fiduciary
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
	Government-wide Financial Statements (continues)	Governmental Fund Statements (continued)

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statement

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how they have changed. Net position - the difference between the Authority's assets and liabilities - is one way to measure the Authority's financial health or position. Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Authority are considered to be governmental activities - the Authority's basic services and programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's current year activities. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law, while others may be required by bond covenants, special taxes, etc. The Authority has one fund:

- General fund - The Authority's basic services are included in the general fund, a governmental fund, which focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statement provides a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Table A-1
Authority's Net Position
 Governmental Activities

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (decrease)</u>
Cash	\$ 246,426	\$ 268,592	\$ (22,166)
Accounts receivable	-	73,944	(73,944)
Capital assets, net	3,380,222	2,861,439	518,783
Total assets	<u>3,626,648</u>	<u>3,203,975</u>	422,673
Current liabilities	-	64,121	(64,121)
Total liabilities	<u>-</u>	<u>64,121</u>	<u>(64,121)</u>
Net position			
Net investment in capital assets	3,380,222	2,807,824	572,398
Unrestricted	246,426	332,030	(85,604)
Total net position	<u>\$ 3,626,648</u>	<u>\$ 3,139,854</u>	<u>\$ 486,794</u>

Table A-2
Changes in Authority's Net Position
 Governmental Activities
 For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>Increase (decrease)</u>
Revenues			
Program revenues			
Operating grants and contributions	\$ 64,767	\$ 83,605	\$ (18,838)
Capital grants and contributions	591,588	722,673	(131,085)
General revenues			
Interest income	125	154	(29)
Other income	5,050	7,000	(1,950)
Total revenues	<u>661,530</u>	<u>813,432</u>	<u>(151,902)</u>
Expenses			
Economic development	174,736	132,039	42,697
Total expenses	<u>174,736</u>	<u>132,039</u>	<u>42,697</u>
Change in net position	<u>\$ 486,794</u>	<u>\$ 681,393</u>	<u>\$ (194,599)</u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Governmental Activities

For the year ended June 30, 2023, approximately 99 percent of the Authority's revenue came from operating and capital grants and contributions. Total revenues decreased from 2022 to 2023 as a result of decreases in state appropriations received during 2023. Total expenses decreased from 2022 to 2023 as the Authority completed projects and has less capital outlay expenditures related to the Progress Point Business Park project in 2023.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

General Fund Budgetary Highlights

The main item in the Authority's original budget was anticipation of the receipt of \$2,105,800 of state appropriated funds the fund the expenditures related to continued development of the Progress Point Business Park. However, related expenditures for the development were not incurred to the full extent originally expected during the year and thus the related revenue was not received. Therefore, the budget was amended for the reduction of these revenues and related budgeted expenditures. Over the course of the year, the Authority revised the General Fund budget to adjust for other various revenues and expenses.

CAPITAL ASSETS

At June 30, 2023, the Authority has invested approximately \$3.38 million in land and equipment. (See Table A-3). There were approximately \$540,112 of construction in progress additions during the fiscal year ended June 30, 2023 related to costs associated with utility line installations at the Progress Point site. The waterline extension and phase 2 wastewater projects in the amount of nearly \$1.4 million were placed into service and transferred to land improvements in the current year. There were no disposals of land or equipment during the fiscal year ended June 30, 2023.

Table A-3
Authority's Capital Assets

	Governmental Activities	
	2023	2022
Land	\$ 1,822,367	\$ 1,822,367
Land improvements	1,565,779	199,617
Equipment	24,390	24,390
Accumulated depreciation	(34,923)	(13,594)
Construction in progress	2,609	828,659
Total	<u>\$ 3,380,222</u>	<u>\$ 2,861,439</u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's major source of revenue for the general fund is State of Louisiana visitor enterprise funds, reported as state appropriation revenue in the general fund financial statements and as operating grants and capital contributions in the government-wide financial statements. The Authority expects the visitor enterprise revenues for fiscal year 2024 to remain consistent with the amount received by the Authority in fiscal year 2023. Additionally, the Authority has plans to continue development of the industrial district during 2024. The Authority expects to receive \$2,105,800 in state capital outlay revenue and \$316,500 in regional support to assist in covering the costs of development in the upcoming fiscal year.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens 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 Michael Tarantino, 101 Burke Street, New Iberia, Louisiana 70560.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2023

ASSETS

ASSETS

2023

Cash	\$ 246,426
Capital assets - net	<u>3,380,222</u>
TOTAL ASSETS	<u>\$ 3,626,648</u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	\$ -
Total liabilities	<u>-</u>

NET POSITION

Net investment in capital assets	3,380,222
Unrestricted	<u>246,426</u>
Total net position	<u>3,626,648</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,626,648</u>

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Functions</u>				
Economic development	\$ 174,736	\$ 64,767	\$ 591,588	\$ 481,619
<u>General Revenues</u>				
Other income				5,050
Interest income				125
Total general revenues				5,175
Change in net position				486,794
Net position - June 30, 2022				3,139,854
Net position - June 30, 2023				\$ 3,626,648

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

BALANCE SHEET

JUNE 30, 2023

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 246,426
TOTAL ASSETS	<u>\$ 246,426</u>
<u>LIABILITIES</u>	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
<u>FUND BALANCE</u>	
Unassigned	<u>246,426</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 246,426</u>

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balance at June 30, 2023 - Governmental Fund		\$	246,426
Capital Assets:			
Cost of land and land improvements at June 30, 2023	\$	3,388,146	
Cost of equipment at June 30, 2023		24,390	
Cost of construction in progress at June 30, 2023		2,609	
Less: Accumulated Depreciation as of June 30, 2023		<u>(34,923)</u>	<u>3,380,222</u>
Total Net Position at June 30, 2023 - Governmental Activities		\$	<u>3,626,648</u>

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>
<u>REVENUES</u>	
State sources:	
State appropriation	\$ 64,767
State capital outlay	500,681
Other income	5,050
Interest income	125
Regional support	<u>90,907</u>
 TOTAL REVENUES	 <u>661,530</u>
 <u>EXPENDITURES</u>	
Economic development	153,407
Capital outlay	540,112
TOTAL EXPENDITURES	<u>693,519</u>
 <u>NET CHANGE IN FUND BALANCE</u>	 <u>(31,989)</u>
 Fund balance, June 30, 2022	 <u>278,415</u>
 <u>FUND BALANCE, JUNE 30, 2023</u>	 <u>\$ 246,426</u>

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

**RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN THE FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balance - Governmental Fund		\$ (31,989)
Capital Assets:		
Construction in progress and capital asset additions during the year ended June 30, 2023	540,112	
Depreciation expense for the year ended June 30, 2023	<u>(21,329)</u>	<u>518,783</u>
Change in Net Position - Governmental Activities		<u>\$ 486,794</u>

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Iberia Economic Development Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

The Authority was created in 2008 as a result of the passage of Act No. 918 of the State Legislature and is a political subdivision of the State of Louisiana. The Authority was created for the purpose of promoting, encouraging, and participating in industrial development to stimulate the economy through commerce, industry, and research and for the utilization and development of human resources of the Iberia Parish area by providing job opportunities. The Authority does not have any component units, nor is it a component of any other government. The Authority is governed by a board of commissioners, consisting of five members appointed by the Iberia Parish Council.

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The minimum number of funds maintained by the Authority is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The basic financial statements include both government-wide (reporting on the government of the Authority as a whole) and fund financial statements (reporting the Authority's major funds). The Authority's activities include governmental activities only.

Government-wide financial statements

The government-wide financial statements include a statement of net position and statement of activities. These statements report financial information about the Authority as a whole. The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

In the statement of net position, the governmental activities column is reported on the full accrual, economic resource basis, which recognizes all short-term and long-term assets and receivables as well as any applicable short-term and long-term debt and obligations. The Authority's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Authority first utilizes restricted resources to finance qualifying activities.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide financial statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A "function" is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. The Authority's sole function is economic development. Program revenues includes: (1) charges for services which report fees, fines, and forfeits, and other charges to users of the Authority's services, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. The Authority currently has no tax revenue or charges for services. The Authority reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of the function.

This government-wide focus is more on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from the current year's activities.

Fund Financial Statements

The fund financial statements provide information about the Authority's funds, which are governmental funds. The emphasis of fund financial statements is on the major individual governmental funds. The Authority reports the following major governmental fund:

General Fund - used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, the governmental fund financial statements are said to present a summary of sources and uses of "available spending resources" during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collection within the current period or soon enough thereafter to be used to pay liabilities of the current period (generally 60 days). Expenditure driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. General capital asset acquisitions are reported as expenditures in governmental funds.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents:

Cash includes amounts in demand deposits and on hand. The Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Authority has no cash equivalents at June 30, 2023.

Custodial Credit Risk:

The Authority is subject to custodial credit risk as it relates to their deposits with its financial institution. The Authority's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Authority's name. At June 30, 2023, the Authority's bank balance totaled \$246,448. The bank balance was covered by federal depository insurance.

Capital Assets:

Capital assets, which include land and land improvements and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are valued at historical cost. Those with a cost of \$1,000 or more and a useful life of more than one year are capitalized. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life of the Authority's equipment is five years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In the fund financial statements, acquisition of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources and Deferred Inflows of Resources:

Deferred outflows of resources represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow of resources represents the acquisition of net position that is applicable to a future reporting period. The Authority has no deferred outflows of resources or deferred inflows of resources at June 30, 2023.

Equity classifications:

Government-wide statements

Net Position

The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components - net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity classifications: (continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows of resources equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows of resources related to restricted assets. Liabilities and deferred inflows of resources related to restricted assets include liabilities and deferred inflows of resources to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position. The Authority currently has no restricted net position.

Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- Non-Spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their external providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Authority establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Authority through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, or for other purposes).

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements: (continued)

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the Authority reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Authority reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Authority is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Authority recorded no impairment losses during the year ended June 30, 2023.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reporting period. Accordingly, actual results could differ from those estimates.

2. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,822,367	\$ -	\$ -	\$ 1,822,367
Land improvements - Non-depreciable	199,617	-	-	199,617
Construction in progress	828,659	540,112	(1,366,162)	2,609
Total capital assets not being depreciated, net	<u>2,850,643</u>	<u>540,112</u>	<u>(1,366,162)</u>	<u>2,024,593</u>
Capital assets being depreciated:				
Land improvements - Depreciable	-	1,366,162	-	1,366,162
Equipment	24,390	-	-	24,390
Less: accumulated depreciation	(13,594)	(21,329)	-	(34,923)
Total capital assets being depreciated, net	<u>10,796</u>	<u>1,344,833</u>	<u>-</u>	<u>1,355,629</u>
Total governmental activities capital assets, net	<u>\$ 2,861,439</u>	<u>\$ 1,884,945</u>	<u>\$ (1,366,162)</u>	<u>\$ 3,380,222</u>

Construction in progress during 2023 relates to utility installation at the industrial district development site. Depreciation expense for the year ended June 30, 2023 was \$21,329 and is reported as economic development expense in the statement of activities.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

3. COOPERATIVE ENDEAVOR AGREEMENTS

Effective October 2013, the Authority has a standing cooperative endeavor agreement with the Iberia Industrial Development Foundation (IDF) whereby IDF furnishes office and meeting space, supplies, equipment, and additional administrative services for the Authority on a month-to-month basis. The Authority has no employees and relies on this agreement for administrative services. The Authority pays IDF \$8,500 per month for these services. During the fiscal year ended June 30, 2023, payments to IDF related to this agreement totaled \$102,000.

In November 2022, the Authority signed a cooperative endeavor agreement and a ground lease agreement with the Board of Supervisors for the University of Louisiana System (on behalf of the University of Louisiana at Lafayette) whereby the University of Louisiana at Lafayette will develop a bioinnovation accelerator complex within the Progress Point Business Park. The agreement is for a period of 50 years with annual rent payments to the Authority of \$1 per year beginning November 2022.

4. CONCENTRATION

The Authority receives a majority of its revenue from the State of Louisiana visitor enterprise funds and capital outlay funds. The amounts are appropriated each year by state government. If significant budget cuts are made at the state level, the amount of funds received could be reduced significantly and have an adverse impact on the Authority's operations.

5. FINANCE AGREEMENT AND AGREEMENT TO ISSUE BONDS

In March 2019, the Authority entered into a finance agreement and an agreement to issue bonds with Seritage SRC Finance LLC (Seritage or Financee). The agreement was effective on January 2, 2020. The Authority (the Financor) has authorized a development project (the Project) for the construction and renovation of a retail shopping center on approximately 12 acres of land in Iberia Parish. The Project will be funded from various sources including the possible issuance of bonds by the Authority on behalf of the Financee. The Authority has the option to issue up to \$5,000,000 of taxable or tax-exempt Commercial Development Revenue Bonds to finance all or a portion of the Project. No bonds have been issued to date with respect to this project. In consideration of issuing the bonds the Financee has conveyed the Project, including the land, to the Authority. The Financee will retain the Project from the Authority for a period of 10 years and the payments will cover the required annual debt service, if any, and other related expenses. Annual payments of \$5,000 per year are paid to the Authority beginning January 2020 and continue through the term of the agreement. The agreement contains an option to purchase the Project at any point during the agreement term for \$2,000 with written notice of not less than 45 days. The Financee is responsible for all costs associated with the maintenance and operations of the Project, including insurance coverage. Upon signing of the agreement, the Authority received \$50,000 to cover closing costs and other expenses associated with the transaction. The Authority determined the land to have no acquisition value and therefore no land cost associated with the Project has been capitalized. On December 31, 2020, Seritage transferred and assigned its interest in the agreement to Richards Clearview City Center, LLC (RCCC). On February 11, 2022, RCCC transferred and assigned a portion of its interest in the agreement to JRE New Iberia Investment, LLC. The Authority began recognizing rent income related to this agreement in January 2020. Future cash inflows for the next five fiscal years related to this agreement are \$5,000 per year (fiscal years 2024 through 2028), and \$2,500 for fiscal year 2029.

6. COMMITMENTS

The Authority plans to continue development of the industrial district site (Progress Point Business Park) in fiscal year 2024. As of June 30, 2023, the Authority has no contract commitments.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
State sources:				
State appropriation	\$ 64,750	\$ 65,680	\$ 64,767	\$ (913)
State capital outlay	2,105,800	566,719	500,681	(66,038)
Other income	5,000	5,050	5,050	-
Interest income	475	115	125	10
Regional support	312,000	92,680	90,907	(1,773)
Total revenues	<u>2,488,025</u>	<u>730,244</u>	<u>661,530</u>	<u>(68,714)</u>
<u>Expenditures:</u>				
Current -				
Economic development	137,800	146,802	153,407	(6,605)
Capital outlay	2,350,225	606,731	540,112	66,619
Total expenditures	<u>2,488,025</u>	<u>753,533</u>	<u>693,519</u>	<u>60,014</u>
Net change in fund balance	-	(23,289)	(31,989)	(8,700)
Fund balance, beginning	<u>357,880</u>	<u>357,880</u>	<u>278,415</u>	<u>(79,465)</u>
Fund balance, ending	<u>\$ 357,880</u>	<u>\$ 334,591</u>	<u>\$ 246,426</u>	<u>\$ (88,165)</u>

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023**

Chairman - Cecil Hymel

No payments made to agency head during the fiscal year ended June 30, 2023.

See independent auditors' report.

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

Board of Commissioners
Iberia Economic Development Authority
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Iberia Economic Development Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit on the financial statements, we considered the 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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.

EisnerAmper LLP

EISNERAMPER LLP
Lafayette, Louisiana
January 2, 2024

EISNERAMPER
LLP



IBERIA ECONMIC DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified?
- Significant deficiency identified not considered to be a material weakness?

_____ Yes X No

_____ Yes X No

Noncompliance material to financial statements noted?

_____ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

EISNERAMPER

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

**REPORT ON STATEWIDE AGREED-UPON
PROCEDURES ON COMPLIANCE AND
CONTROL AREAS**

FOR THE YEAR ENDED JUNE 30, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of Commissioners of the Iberia Economic Development Authority
and the Louisiana Legislative Auditor

We have performed the prosaup IAccedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Iberia Economic Development Authority (the Authority) for the fiscal period July 1, 2022 through June 30, 2023. The Authority's management is responsible for those C/C areas identified in the SAUPs.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Authority for the fiscal period July 1, 2022, through June 30, 2023. 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 the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER LLP
Lafayette, Louisiana
January 2, 2024

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management.*” If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

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

No exception noted.

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.

The Authority’s written policies and procedures for purchasing do not contain attribute (2) how vendors are added to the vendor list. The other attributes were addressed in the policies and procedures.

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

No exception noted.

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).

The Authority does not have written policies and procedures for receipts/collections.

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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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.

The Authority’s written policies and procedures for contracting do not contain attribute (2) standard terms and conditions. The other attributes were addressed in the policies and procedures.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- 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).

No exception noted.

- 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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have written policies and procedures for debt service.

- 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.

The Authority pays a monthly fee to a related entity for use of systems/software and employees; therefore, this procedure is not applicable and was not performed.

- 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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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 whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *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.*

No exception noted.

- 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.

No exception noted.

- 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.

There were no audit findings in the prior audit report; therefore, this step is not applicable and was not performed.

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:

A listing of bank accounts was provided and included a total of one bank account. Management identified the Authority's main operating account. No exceptions were noted as a result of performing this procedure. From the listing provided, we selected and obtained the bank reconciliation for the month ending May 2023, resulting in one bank reconciliation obtained and subjected to the below procedures.

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

No exception noted.

- 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 (e.g., initialed and dated, electronically logged); and

No exception noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception 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).

A listing of deposit sites was provided and included a total of one deposit site. No exceptions were noted as a result of performing this procedure. From the listing provided, we selected the single deposit site and performed the procedures below.

- 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:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of one collection location. No exceptions were noted as a result of performing this procedure. From the listing provided, we selected the single collection location for the deposit site. Review of the Authority's written policies and procedures or inquiry with responsible individuals regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

- 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;

While the Authority has no employees, the Board has outsourced these services to a related party. The related party is responsible for collecting cash and for preparing and making the deposits.

- 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

While the Authority has no employees, the Board has outsourced these services to a related party. The related party is responsible for collecting cash and posting collection entries to the general ledger.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

While the Authority has no employees, the Board has outsourced these services to a related party. The related party is responsible for collecting cash and for reconciling cash collections to the general ledger.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- 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.

The Authority does not have employees during the fiscal period. Thus, this procedure is not applicable and was not performed.

- 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:

We randomly selected two deposit dates for the bank account selected in procedure #3A. We obtained supporting documentation for each of the deposits and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

- 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).

No exception noted.

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

No exception 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).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure. From the listing provided, we selected the single location and performed the procedures below.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- B. For each location selected under #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:

The listing of individuals involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure. Review of the Authority's written policies and procedures or inquiry with responsible individuals regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

No exception noted.

- 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;

While the Authority has no employees, the Board has outsourced these services to a related party. The related party is responsible for processing payments and for adding/modifying vendor files. No other individual reviews 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

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

For the location selected under #5a above, we obtained the disbursement population and randomly selected five disbursements for testing below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
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- 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.

No exception 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.

The Authority did not make electronic disbursements during the fiscal period July 1, 2022 through June 30, 2023; therefore, this procedure is not applicable and was not performed.

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- 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

From the listing provided, the Authority had one card during the fiscal period. We randomly selected one monthly statement for the card and performed the procedures below.

- 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

No exception noted.

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

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #6B 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.

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We selected all transactions from the April 2023 monthly statement and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified 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). No exception noted.

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:

The Authority does not have employees and management represents that there were no travel and travel-related expense reimbursements (excluding card transactions) during the fiscal period; therefore, this procedure is not applicable and was not performed.

- 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);

The Authority does not have employees and management represents that there were no travel and travel-related expense reimbursements (excluding card transactions) during the fiscal period; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees and management represents that there were no travel and travel-related expense reimbursements (excluding card transactions) during the fiscal period; therefore, this procedure is not applicable and was not performed.

- 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

The Authority does not have employees and management represents that there were no travel and travel-related expense reimbursements (excluding card transactions) during the fiscal period; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees and management represents that there were no travel and travel-related expense reimbursements (excluding card transactions) during the fiscal period; therefore, this procedure is not applicable and was not performed.

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

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure. Management asserted that there were no contracts initiated or renewed during the fiscal period. Therefore, the following procedures are not applicable and were not performed.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No contracts were initiated or renewed during the fiscal period; therefore, this procedure is not applicable and was not performed.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No contracts were initiated or renewed during the fiscal period; therefore, this procedure is not applicable and was not performed.

- 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

No contracts were initiated or renewed during the fiscal period; therefore, this procedure is not applicable and was not performed.

- 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.

No contracts were initiated or renewed during the fiscal period; therefore, this procedure is not applicable and was not performed.

9) Payroll and Personnel

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

- 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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

- 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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above 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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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- 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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

11) Debt Service

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

The Authority did not have debt issued or outstanding during the period; therefore, this procedure is not applicable and was not performed.

- 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).

The Authority did not have debt issued or outstanding during the period; therefore, this procedure is not applicable and was not performed.

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.

No exception 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.

No exception 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.

The Authority pays a monthly fee to a related entity for use of systems/software and employees; therefore, this procedure is not applicable and was not performed.

- 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.

The Authority pays a monthly fee to a related entity for use of systems/software and employees; therefore, this procedure is not applicable and was not performed.

- 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.

The Authority pays a monthly fee to a related entity for use of systems/software and employees; therefore, this procedure is not applicable and was not performed.

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

The Authority pays a monthly fee to a related entity for use of systems/software and employees; therefore, this procedure is not applicable and was not performed.

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.

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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).

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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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;

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

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

The Authority does not have employees; therefore, this procedure is not applicable and was not performed.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
JUNE 30, 2023**

Schedule B

Written Policies and Procedures

The Board will review the Authority's written policies and procedures. Updates and revisions will be made, as deemed applicable, to conform to best practices recommended by the Louisiana Legislative Auditor.

Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

Management will continue to monitor duties and provide as much segregation of duties with the resources available.

To the Board of Commissioners of the
Iberia Economic Development Authority
New Iberia, Louisiana

We have audited the financial statements of the Iberia Economic Development Authority (the Authority) for the year ended June 30, 2023 and have issued our report thereon dated January 2, 2024. In planning and performing our audit of the financial statements of the Authority, we considered the 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of a matter that is an opportunity for strengthening internal controls or operating efficiency. Our comments and suggestions regarding this matter are set forth on the subsequent page. This letter does not affect our reports dated January 2, 2024, on the financial statements of the Authority or the Authority's internal control over financial reporting.

This information is intended solely for the use of the Board of Commissioners and management of the Authority and should not be used for any other purpose.



EISNERAMPER LLP
Lafayette, Louisiana
January 2, 2024

ML 2023-001

Louisiana's Local Government Budget Act (LGBA)

Criteria: Louisiana Revised Statute (R.S.) 39:1311 requires that the governing authority must adopt a budget amendment when: (1) total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by 5% or more and/or (2) total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more.

Condition: The Authority's General Fund had an unfavorable variance of approximately 9% of total actual revenues compared to total budgeted revenues.

Recommendation: We recommend that the Authority should evaluate the budget for the General Fund throughout the fiscal year, monitor actual revenues and expenditures diligently including anticipated year-end accruals, and amend the budget when necessary in a timely manner and in accordance with the LGBA.

Management's Response: While the Authority amended the budget during the year, the General Fund budget was not amended to account for revenue/receivables that were identified in the prior fiscal year end close process. Moving forward, the Authority will review transactions both during the year and anticipated year end accruals to make necessary amendments to the General Fund budget.