

**LAFAYETTE ECONOMIC
DEVELOPMENT AUTHORITY
LAFAYETTE, LOUISIANA**

FINANCIAL REPORT

Year Ended December 31, 2023

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Chairman of the Board
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, (the Authority) as of and for the year ended December 31, 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, each major fund, and the aggregate remaining fund information of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana as of December 31, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lafayette Economic Development Authority and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal 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 Lafayette Economic Development

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, budgetary comparison information, and the schedules of employer's share of net pension liability and employer contributions on pages 4 through 9 and 39 through 41 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.

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 accompanying General Fund Statements of Expenditures – Budget (GAAP Basis) and Actual and Compensation Paid to Members of the Board of Commissioners schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund Statements of Expenditures – Budget (GAAP Basis) and Actual and Compensation Paid to Members of the Board of Commissioners schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 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.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

June 21, 2024
Lafayette, Louisiana

Management's Discussion and Analysis

As management of the Lafayette Economic Development Authority, we offer readers of the Lafayette Economic Development Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the Lafayette Economic Development Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended December 31, 2023 by \$20,398,572 (*net position*). Of this amount, \$11,965,107 (*unrestricted*) may be used to meet the Authority's ongoing obligations to creditors.
- The Authority's total net position increased by \$3,653,475.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$13,079,450, an increase of \$2,496,330 in comparison with the prior year.
- At the end of the current fiscal year, *unassigned fund balance* for the general fund was \$6,108,827. This amount is available for future general government expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Lafayette Economic Development Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. *The Government-wide Financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's *net position* changed during the most recent fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the *Government-wide Financial Statements* distinguish functions of the Lafayette Economic Development Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through charges (*business-type activities*). The *governmental activities* of the Authority include general government expenses incurred in the Authority's mission of facilitating economic growth in Lafayette parish and the sale of land in the four industrial parks owned by the Authority. The Authority had no *business-type activities* to report.

The *Government-wide Financial Statements* can be found on pages 12 and 13 of this report. The *Governmental Fund Financial Statements* can be found on pages 15, 16, 17, and 18 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lafayette Economic Development Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Authority are *governmental funds*.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *Government-wide Financial Statements*. However, unlike the *Government-wide Financial Statements*, *Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the *Government-wide Financial Statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *Government-wide Financial Statements*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains three individual *governmental funds*. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the capital projects (Parks, Business or Community Development) fund, and the capital projects (Building Maintenance) fund. The general fund is considered by the Authority to be its major fund.

The Lafayette Economic Development Authority adopts an annual budget for its general fund. A budgetary comparative statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the *Government-wide* and *Fund Financial Statements*. The notes to the financial statements can be found on pages 19 through 37 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Lafayette Economic Development Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,398,572 at the close of the most recent fiscal year.

In 2023, the largest portion of the Authority's net position (35 percent) was its capital assets net of depreciation.

Lafayette Economic Development Authority Net Position

	Government Activities	
	2022	2023
Current and other assets	9,542,288	12,381,514
Noncurrent assets	8,216,001	8,433,465
Total assets	17,758,289	20,814,979
Deferred outflows of resources as restated	299,645	1,104,026
Current liabilities	218,828	539,815
Noncurrent liabilities as restated	77,093	892,260
Total liabilities as restated	295,921	1,432,075
Deferred inflow of resources	1,016,916	88,358
Net assets:		
Invested in capital assets	5,767,016	7,083,652
Restricted for inventory of land for resale	1,364,229	1,349,813
Unrestricted	9,613,852	11,965,107
Total net position	16,745,097	20,398,572

At the end of the current fiscal year, the Authority is able to report a positive balance in net position. The same is true for the prior fiscal year.

Governmental Activities. Governmental activities increased the Authority's net position by \$3,653,475. Key elements of this decrease are as follows:

Lafayette Economic Development Authority
Changes in Net Position

	<u>Government Activities</u>	
	<u>2022</u>	<u>2023</u>
Revenues:		
Program Revenues:		
General Government	741,568	3,450,921
General Revenues:		
Ad valorem taxes	4,299,777	4,652,086
Revenue sharing	112,149	112,983
Unrestricted investment earnings	98,514	367,453
Miscellaneous	33,752	39,199
Non-employer pension contributions	19,050	19,416
Total General Revenues	4,563,242	5,191,137
Expenses:		
General Government	3,703,633	4,988,583
Total expenses	3,703,633	4,988,583
Increase (decrease) in net position	1,601,177	3,653,475
Net assets – beginning as restated	15,143,920	16,745,097
Net assets – ending	16,745,097	20,398,572

- General Government expenses increased by \$1,284,950.

Financial Analysis of Government's Funds

As noted earlier, the Lafayette Economic Development Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

As of the end of the current fiscal year, the Lafayette Economic Development Authority's *Governmental Funds* reported combined ending fund balances of \$13,079,450 which is an increase of \$2,496,330 in comparison with the prior year.

Approximately forty-seven percent of the amount, \$6,108,827, constitutes unassigned fund balance, which has not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The remainder of fund balance is 1) non-spendable funds because they are either not spendable in form or legally or contractually required to be maintained intact; 2) restricted funds that are restricted by external sources or by constitutional provisions or enabling legislation; and 3) committed funds that can only be used for specific purposes.

The fund balance of the Lafayette Economic Development Authority's general fund increased by \$403,992 during the current fiscal year. Key factors for the change are as follows:

- Ad valorem taxes as computed under GASB 65 increased by \$365,718 due to increases in the taxable property valuation in 2023 by the Lafayette Parish Assessor.
- Intergovernmental revenues increased by \$790,317.
- Miscellaneous revenues increased by \$148,758.
- General government expenditures increased by \$735,884.
- Capital Outlay increased by \$642.
- Transfers out increased by \$547,600.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be summarized as follows:

- \$360,000 increase in Tax Revenue
- \$721,000 increase in Intergovernmental Revenue
- \$8,200 increase in Miscellaneous Revenue
- \$350,500 increase in General Government Expenditures
- No change in Capital Outlay
- \$168,400 increase in Interest Earned
- \$907,100 increase in Transfers Out

Capital Asset and Debt Administration

Capital Assets. The Lafayette Economic Development Authority's investment in capital assets for its governmental activities, as of December 31, 2023, amounts to \$7,083,652 (net of accumulated depreciation). This investment in capital assets includes a building, furniture, fixtures located in the building, and manufacturing equipment. The total increase in the Authority's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$1,316,636.

Major capital asset events during the current fiscal year included the following:

- Acquisitions of Furniture, Fixtures and Equipment were \$170,564.
- Depreciation expense was \$268,094.
- Construction in Progress increased \$1,415,052.
- Items below the capitalization threshold were removed with a net effect of a decrease of \$886 to capital assets.

Additional information on the Lafayette Economic Development Authority's capital assets can be found in Note D on page 25 of this report.

Liabilities

The Authority's total liabilities increased by \$1,136,154 during the current fiscal year. The key factors in this decrease were an increase in accounts payable of \$130,299, an increase in retainage payable of \$4,028, an increase in net pension liability of \$801,973, and an increase in other accrued liabilities of \$199,854.

Additional information on the Authority's long-term debt can be found in Note E on page 26 of this report.

Economic Factors and Next Year's Budget

- The unemployment rate for the Lafayette Parish in October 2023 was 3.7 percent, which is an increase from the rate of 2.9 percent a year ago. This compares to the state's average unemployment rate for the month of October 2022 of 4.0 percent. The national average rate for October 2023 was 3.8 percent.

These factors were considered in preparing the Lafayette Economic Development Authority's budget for the 2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Lafayette Economic Development Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mandi Mitchell, President and CEO, Lafayette Economic Development Authority, 211 East Devalcourt Street, Lafayette, Louisiana, 70506.

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

ASSETS

Current assets:

Cash	\$ 6,766,194
Other receivables	773,811
Prepaid expenses	147,531
Receivables - taxes (net of allowance for uncollectibles)	<u>4,693,978</u>
Total current assets	<u>12,381,514</u>

Noncurrent assets:

Inventory of land held for resale	1,349,813
Capital assets, net of accumulated depreciation	<u>7,083,652</u>
Total noncurrent assets	<u>8,433,465</u>
Total assets	<u>\$ 20,814,979</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>\$ 1,104,026</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ 176,230
Retainage payable	106,684
Other accrued liabilities	<u>256,901</u>
Total current liabilities	<u>539,815</u>

Noncurrent liabilities:

Compensated absences	90,287
Net pension liability	<u>801,973</u>
Total noncurrent liabilities	<u>892,260</u>
Total liabilities	<u>\$ 1,432,075</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>\$ 88,358</u>
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NET POSITION

Net investment in capital assets	\$ 7,083,652
Restricted	
Inventory of land for resale	1,349,813
Unrestricted	<u>11,965,107</u>
Total net position	<u>\$ 20,398,572</u>

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities:					
General government	\$ 4,974,167	\$ -	\$ 1,018,467	\$ 2,319,859	\$ (1,635,841)
Cost of land sold and asset disposals	14,416	112,595	-	-	98,179
Total governmental activities	<u>\$ 4,988,583</u>	<u>\$ 112,595</u>	<u>\$ 1,018,467</u>	<u>\$ 2,319,859</u>	<u>(1,537,662)</u>
General revenues:					
Ad valorem taxes					4,652,086
State revenue sharing					112,983
Unrestricted investment earnings					367,453
Miscellaneous					39,199
Non-employer pension contribution					<u>19,416</u>
Total general revenues					<u>5,191,137</u>
Change in net position					3,653,475
Net position-beginning					<u>16,745,097</u>
Net position-ending					<u>\$ 20,398,572</u>

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

FUND FINANCIAL STATEMENTS

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Capital Projects (Parks, Business and Community Development)	Capital Projects (Building Maintenance) Non-Major	Total Governmental Funds
ASSETS				
Cash	\$ 1,416,405	\$ 4,909,299	\$ 440,490	\$ 6,766,194
Other receivables	402,790	371,021	-	773,811
Prepaid expenses	147,531	-	-	147,531
Receivables - taxes (net of allowance for uncollectibles)	4,693,978	-	-	4,693,978
Inventory of land held for resale	-	1,349,813	-	1,349,813
Total assets	<u>\$ 6,660,704</u>	<u>\$ 6,630,133</u>	<u>\$ 440,490</u>	<u>\$ 13,731,327</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 35,383	\$ 126,252	\$ 14,595	\$ 176,230
Retainage payable	-	106,684	-	106,684
Other accrued liabilities	256,901	-	-	256,901
Total liabilities	<u>292,284</u>	<u>232,936</u>	<u>14,595</u>	<u>539,815</u>
Deferred inflows of resources:				
Ad valorem taxes	<u>112,062</u>	<u>-</u>	<u>-</u>	<u>112,062</u>
Fund balances:				
Nonspendable	147,531	1,349,813	-	1,497,344
Committed	-	5,047,384	425,895	5,473,279
Unassigned	6,108,827	-	-	6,108,827
Total fund balances	<u>6,256,358</u>	<u>6,397,197</u>	<u>425,895</u>	<u>13,079,450</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,660,704</u>	<u>\$ 6,630,133</u>	<u>\$ 440,490</u>	<u>\$ 13,731,327</u>

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION**

FOR THE YEAR ENDED DECEMBER 31, 2023

Total fund balance for the governmental funds as of December 31, 2023	\$ 13,079,450
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*Amounts reported for governmental activities in the
Statement of Net Position are different because:*

The deferred outflows of contributions for the retirement system are not available resources, and therefore, are not reported in the funds.	1,104,026
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,083,652
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The deferred inflows of contributions for the retirement system are not payable from current expendable resources, and therefore, are not reported in the funds.	(88,358)
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Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(892,260)
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Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the governmental funds.	<u>112,062</u>
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<i>Total net position of governmental activities at December 31, 2023</i>	<u>\$ 20,398,572</u>
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LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Capital Projects (Parks, Business and Community Development)	Capital Projects (Building Maintenance) Non-Major	Total Governmental Funds
Revenues:				
Taxes - ad valorem	\$ 4,644,593	\$ -	\$ -	\$ 4,644,593
Intergovernmental	1,131,450	2,319,859	-	3,451,309
Sale of land	-	112,595	-	112,595
Miscellaneous	238,876	152,417	15,360	406,653
Total revenues	6,014,919	2,584,871	15,360	8,615,150
Expenditures:				
Current:				
General government	4,284,577	171,410	2,250	4,458,237
Capital outlay	10,750	1,623,070	12,346	1,646,166
Cost of land sold	-	14,416	-	14,416
Total expenditures	4,295,327	1,808,896	14,596	6,118,819
Excess (deficiency) of revenues over expenditures	1,719,592	775,975	764	2,496,331
Other financing sources (uses):				
Transfers in	-	1,215,600	100,000	1,315,600
Transfers out	(1,315,600)	-	-	(1,315,600)
Total other financing sources (uses)	(1,315,600)	1,215,600	100,000	-
Excess of revenues and other sources over expenditures and other uses	403,992	1,991,575	100,764	2,496,331
Fund balances, beginning	5,852,366	4,405,622	325,131	10,583,119
Fund balances, ending	\$ 6,256,358	\$ 6,397,197	\$ 425,895	\$ 13,079,450

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances-total governmental funds \$ 2,496,331

*Amounts reported for governmental activities in the
Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period as follows:

Depreciation Expense	(268,094)
Capital Outlay Expense	1,585,616
Net Book Value of Capital Assets Disposed	(887)

In the Statement of Activities, only the gain (loss) on sale or transfer of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference.

Revenues in the Statement of Activities that do not provide available current financial resources are not reported as revenues in the governmental funds.	7,493
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Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(13,193)
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Non-employer contributions to cost-sharing pension plan.	19,416
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Pension expense not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.	<u>(173,207)</u>
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<i>Changes in net position of governmental activities</i>	<u>\$ 3,653,475</u>
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LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafayette Economic Development Authority (Authority/LEDA) is a political subdivision of the State of Louisiana created under Louisiana Revised Statute 34:291-34:302. It was originally formed under the name of Lafayette Harbor, Terminal, and Industrial Development District. The Authority is governed by a board of commissioners consisting of twelve appointed members. The Authority is authorized to construct or acquire industrial parks and industrial plant buildings, including sites and other necessary property and appurtenances, and to acquire, construct, improve, operate, maintain, and provide improvements and services necessary. It is also authorized to sell, lease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing within the parish, all or any part of an industrial plant site, industrial plant building, or other property owned by the Authority.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, as well as any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and the Louisiana Governmental Audit Guide.

Financial Reporting Entity - FASB ASC Section 2100 – Defining the Financial Reporting Entity - This report includes all funds, account groups, and component units, which are controlled by or dependent on the Lafayette Economic Development Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, or other general oversight responsibility. At December 31, 2023, there were no entities that met the criteria to be considered a component unit of the Authority.

The following is a summary of certain significant accounting policies:

Government-Wide and Fund Financial Statements - The statement of net position and statement of activities display information about the reporting entity of the government as a whole. Eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include proceeds received from the sale of land inventory. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” the transactions are recorded, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are awarded.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

The government reports the following major governmental funds:

The *general fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund - Parks, Business and Community Development Fund* accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *capital projects fund – Building Maintenance Fund* accounts for the maintenance and construction/renovation of the administrative office not being financed by proprietary or nonexpendable trust funds. This fund is a non-major fund.

Amounts reported as program revenues include proceeds from the sale of land inventory. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated assets are immaterial.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	39
Building improvements	10
Office equipment	5-7
Computer equipment	3-5

Inventory of Land Held-for-Resale - The inventory of land held-for-resale is valued at cost. The cost is recorded as an expenditure at the time the land is sold. The inventory of land held for resale at year-end is equally offset by a fund balance reserve to indicate that it does not constitute "available expendable resources," even though it is a component of net position.

Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The ad valorem tax receivable is shown net of an allowance for uncollectible taxes of \$82,609 as of December 31, 2023 which is equal to approximately 1.76% of levied ad valorem taxes at December 31, 2023.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Deferred Outflows of Resources and Deferred Inflows of Resources – In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reported deferred outflows of resources related to pensions.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reported deferred inflows of resources related to pensions.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

See Note G for additional information related to deferred outflows of resources and deferred inflows of resources related to pensions.

Pensions – The Authority applies the provisions of GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions.*” This pronouncement requires the Authority to calculate and recognize a net pension liability at December 31, 2023. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and changes in fiduciary net position of the defined benefit pension plan in which the Authority participates have been determined on the same basis as they are reported by the respective defined benefit pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note G for further details.

Vacation, Sick Leave, and Pension Plan - Vacation varies with longevity as follows:

<u>Serving Time</u>	<u>Vacation</u>
From zero to ten years	Ten (10) days
From five years to ten years	Fifteen (15) days
From ten years to fifteen years	Twenty (20) days
After fifteen years	Twenty-five (25) days

No more than thirty days of allowed vacation time may be accrued and be carried over into the next calendar year and paid upon termination. Vacation pay is accrued when incurred in the government-wide financial statements.

Sick leave accrues at the rate of ½ day per month with a 30-day maximum per year. Sick leave is available for carryover. Upon termination, either voluntary or involuntary, all accrued sick time will be forfeited. Sick leave is not recorded in these financial statements.

For the years beginning January 1, 2004, LEDA employees are eligible participants of the Parochial Employees’ Retirement System; a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. This retirement system provides retirement, disability, and death benefits to plan members and their beneficiaries.

Post-Employment Benefits - LEDA does not offer any of these types of benefits to employees.

Leases - The Authority applies the provisions of GASB Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the Authority’s leasing activities. The objective of this statement is to better meet information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Leases – continued - and consistency of information about the government’s leasing activities. The Lafayette Economic Development Authority adopted this standard in the year ended December 31, 2022. As December 31, 2023, the Authority has no leases that meet the definitions of this standard and therefore, this standard has no effect on the financial statements as of December 31, 2023.

Equity Classifications - In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets– Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2023, by LEDA are nonspendable in form. LEDA has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Commission who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the Commission.

Assigned – includes amounts that LEDA intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Commission may assign amounts to this classification.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. LEDA reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, LEDA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, LEDA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless LEDA has provided otherwise in its commitment or assignment actions.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Budgets and Budgetary Accounting - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds. The budget is formally adopted by the Authority, prior to the beginning of the fiscal year. Notices of its completion and availability are published. After its adoption, any adjustments to the budget must follow the same process. All annual appropriations lapse at year-end.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prepaid Expenses - Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid expenses.

Transfers - Permanent reallocation of resources between funds of the Authority are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

(B) CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2023, the Authority has cash and interest-bearing deposits (book balances) totaling \$6,766,1954.

Custodial Credit Risk Relating to Deposits - Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits might not be recovered. The Authority does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances), must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2023 are as follows:

Bank Balances	<u>\$ 6,838,298</u>
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At December 31, 2023 the deposits are secured as follows:

Federal Deposit Insurance	\$ 250,000
Pledged Securities (Category 3)	<u>8,481,926</u>
Total	<u>\$ 8,731,926</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(B) CASH AND INTEREST-BEARING DEPOSITS – continued

Pledged securities in Category 3 are comprised of uninsured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the Authority's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

(C) AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Government in June and are actually billed to the taxpayers by the Assessor in October. Billed taxes are due by December 31, becoming delinquent on January 1, of the following year.

Ad valorem taxes are budgeted and recorded in the year levied and billed. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted net of deductions for Assessor's compensation and pension fund contributions.

For the years ended December 31, 2023, taxes were levied at the rate of 1.8 mills for general corporate purposes on property with assessed valuations totaling \$3,051,244,688 less homestead exemptions of \$439,437,957.

The allowance for uncollectible receivables at December 31, 2023 is \$82,609.

Net revenues from ad valorem taxes represent 77% of total general fund revenues, excluding other financing sources, at December 31, 2023.

(D) CAPITAL ASSETS

A summary of general fixed assets follows:

	Balance 1/1/2023	Additions/ Transfers	Deletions	Balance 12/31/2023
Capital assets, being depreciated:				
Buildings	\$ 6,207,351	\$ -	\$ -	\$ 6,207,351
Building improvements	209,983	-	29,426	180,557
Equipment and furniture	1,077,715	170,564	406,784	841,495
Manufacturing equipment	83,523	-	-	83,523
Total capital assets	<u>7,578,572</u>	<u>170,564</u>	<u>436,210</u>	<u>7,312,926</u>
Less: accumulated depreciation for:				
Buildings	1,007,331	162,293	-	1,169,624
Building improvements	137,316	11,836	29,426	119,726
Equipment and furniture	731,589	93,965	405,898	419,656
Manufacturing equipment	83,523	-	-	83,523
Total accumulated depreciation	<u>1,959,759</u>	<u>268,094</u>	<u>435,324</u>	<u>1,792,529</u>
Total capital assets being depreciated, net	5,618,813	(97,530)	886	5,520,397
Construction in progress	148,203	1,415,052	-	1,563,255
Total capital assets	<u>\$ 5,767,016</u>	<u>\$ 1,317,522</u>	<u>\$ 886</u>	<u>\$ 7,083,652</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(D) CAPITAL ASSETS – continued

Depreciation expense in the amount of \$268,094 was charged to governmental activities for the year ended December 31, 2023.

(E) LONG-TERM DEBT

A summary of changes in general long-term debt follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Compensated Absences	\$ 77,093	\$ 13,193	\$ -	\$ 90,286
Total	\$ 77,093	\$ 13,193	\$ -	\$ 90,286

(F) INTERFUND TRANSFERS

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,315,600
Capital Projects Funds	1,315,600	-
	\$ 1,315,600	\$ 1,315,600

(G) DEFINED BENEFIT PENSION PLAN

Plan Description

All full-time employees of Lafayette Economic Development Authority participate in the Parochial Employees' Retirement System (PERS) of Louisiana, a cost sharing, multiple employer defined benefit pension plan that was established by the Louisiana Legislature as of January 1, 1953 by Act 205 of 1952. The PERS was revised by Act 765 of 1979, revised by Act 584 of 2006.

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Retirement Benefits

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

For employees hired prior to January 1, 2007:

- a) Any age with thirty (30) or more years of creditable service.
- b) Age 55 with twenty-five (25) years of creditable service.
- c) Age 50 with a minimum of ten (10) years of creditable service.
- d) Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

- a) Age 55 with 30 years of service.
- b) Age 62 with 10 years of service.
- c) Age 67 with 7 years of service.

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

Survivor Benefits

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

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

Deferred Retirement Option Plan

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

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

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Deferred Retirement Option Plan - continued

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

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

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has a least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of the Plan shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2022, the actuarially determined contribution rate was 7.10% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2022, was 11.50% for Plan A.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Employer Contributions - continued

The total contributions for the years ended December 31, 2023, 2022, and 2021 were \$184,470, \$163,706, and \$188,124, respectively.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2022, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2022.

Schedule of Pension Amounts by Employer

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the Schedule of Employer Allocations.

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers as of December 31, 2022, are as follows:

	<u>PLAN A</u>
Total Pension Liability	\$ 4,658,944,882
Plan Fiduciary Net Position	<u>4,274,065,818</u>
Total Net Pension Liability	<u>\$ 384,879,064</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions - continued

The Authority's allocation is 0.208370% of the Total Net Pension Liability.

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

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants
Inflation Rate	2.30%

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions - continued

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

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

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

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Sensitivity to Changes in Discount Rate

The following presents the net pension liability/(asset) of the participating employers as of December 31, 2022 calculated using the discount rate of 6.40%, as well as what the employers' net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40%, or one percentage point higher 7.40% than the current rate.

	Plan A		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension (Asset) Liability	\$1,983,305	\$ 801,973	\$ (188,423)

Change in Net Pension Liability (Asset)

The changes in the net pension liability/(asset) for the year ended December 31, 2023, were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability/(asset) were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$88,358 and a deferred outflow of resources in the amount of \$29,650 for the year ended December 31, 2023.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred outflow of resources in the amount of \$846,626 for the year ended December 31, 2023.

Changes of Assumptions

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources in the amount of \$25,594 for the year ended December 31, 2023.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

Change in Proportion

Changes in the employer's proportionate share of the collective net pension liability(asset) and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$17,686 for the year ended December 31, 2023.

Contributions - Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2022. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

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

At December 31, 2023, LEDA reported a liability of \$801,973 for its proportionate share of the Net Pension Liability.

The Net Pension Liability was measured as of December 31, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. LEDA's proportion of the Net Pension Liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, LEDA's proportion was 0.208370%, which was a decrease of 0.021918% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, LEDA recognized pension expense of \$357,676 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$(715).

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(G) DEFINED BENEFIT PENSION PLAN - continued

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

At December 31, 2023, LEDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 29,650	\$ 88,358
Changes of Assumptions	25,594	-
Net difference between projected and actual earnings on pension plan investments	846,626	-
Change in proportion and differences between employer contributions and proportionate share of contributions	17,686	-
Employer contributions subsequent to the measurement date	184,470	-
Total	\$ 1,104,026	\$ 88,358

Deferred outflows of resources of \$184,470 related to pensions resulting from LEDA's contributions subsequent to the measurement date will be recognized as a reduction/(increase) of the Net Pension Liability in the year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
12/31/2023	\$ 33,326
12/31/2024	\$ 143,251
12/31/2025	\$ 275,081
12/31/2026	\$ 379,778

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(H) COMMITMENTS

On January 1, 1999, the Authority entered into an agreement with the University of Louisiana for the use of land to construct the administrative building. This agreement is non-cancelable. The 30-year agreement provides for two renewal options, each for a ten-year period with the amount to be determined at the date the option is exercised. The agreement calls for an irrevocable transfer of property owned by the Authority, as well as annual payments of \$22,000 per year during the primary term of the agreement. Total future payments as of December 31, 2022 are \$132,000 through December 31, 2029.

On June 25, 2020, LEDA entered into a construction contract with R S Bernard & Associates, Inc. for the renovations to the building acquired at 314 Jefferson Street, Lafayette, Louisiana in the amount of \$3,088,997. As of December 31, 2022, LEDA had paid or accrued costs totaling \$3,083,006, including \$100,500 in retainage payable. During 2022, LEDA and the contractor agreed to forgo the payment of the retainage to the contractor and use the remaining amount to contract with others for the completion of remaining items not completed by the contractor. As of December 31, 2023, the amount remaining to be expended is \$35,550.

In July 2022, LEDA entered into a 12-month Agreement effective August 1, 2022 through July 31, 2023 for Professional Services with Jack & Associates, LLC to provide assistance to existing and prospective business owners with forming their business entities, developing their business plans, navigating financial resources, and obtaining business certifications for contracting opportunities. In June 2023, LEDA entered into an amended Agreement effective August 1, 2023 through July 31, 2024 for the same Professional Services described above. As compensation to Jack & Associates, LLC, LEDA shall pay \$24,000 in the amount of \$2,000 per month under the original agreement through July 1, 2023 of which \$14,000 was expensed in the current year. LEDA shall pay a total of \$30,000 in the amount of \$2,500 per month under the amended agreement through July 1, 2024 of which \$12,500 was expensed in the current year. Both parties have the option to renew this Agreement for successive one-year terms upon mutual agreement.

In July 2022, LEDA entered into a 12-month Cooperative Endeavor Agreement with the University of Louisiana at Lafayette, through its Entrepreneurship and Economic Development Center also known as LEED to cooperate and work with each other to seek out opportunities to create economic growth and assist in the creation of new, diverse small businesses and retain existing small business that will help drive the Parish's and the Region's economy. Per this agreement, LEDA has contractually agreed to transfer up to \$250,000 to LEED throughout the entirety of the agreement. LEDA has expended the remaining balance of \$125,000 in the current year. This contract was renewed and effective for July 1, 2023 through June 30, 2024 in the amount of \$75,000. This agreement will terminate on June 30, 2024 unless amended in writing and approved and signed by all parties.

On November 10, 2022, LEDA entered into a construction contract with Master Builders & Specialists, Inc. for Phase 2 of the renovations to the building acquired at 314 Jefferson Street, Lafayette, Louisiana in the amount of \$1,555,490. This construction contract with Master Builders & Specialists, Inc for Phase 2 has been amended for a change of \$8,154 which increased the total cost of the contract to \$1,563,644 as of December 31, 2023. As of December 31, 2023, LEDA had paid or accrued costs totaling \$1,422,681, including \$71,134 in retainage payable.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(H) COMMITMENTS - continued

In February 2023, LEDA entered into a Cooperative Endeavor Agreement with Topgolf USA, LF, LLC to provide certain inducements to Topgolf for Topgolf to design, construct, and furnish a new golf entertainment facility in the City and Parish of Lafayette for the purposes of increasing interest among the general public in the game of golf and golf game enhancement through the intersection of technology and sports entertainment. The commencement and operation of the facility and full-time employment of new Topgolf employees will result in the creation of new jobs and required payroll at the facility. LEDA's obligation under this agreement is to provide funding of \$110,000 to Topgolf as a performance-based grant payment upon the completion of the facility on or before March 31, 2024. Thereafter, the agreement calls for structured payments of \$50,000 per project year in the form of a performance-based grant payment contingent upon certain job creation goals being met including hiring and maintaining 100 full-time employees each year from the local area with a total combined payroll of \$3,000,000 and offer basic health insurance through December 31, 2028. As of December 31, 2023, LEDA has funded the initial \$110,000 to Topgolf.

Effective September 1, 2023, LEDA entered into another Memorandum of Understanding (MOU) with Opportunity Machine, Inc (OM), a not-for-profit entity whose primary purpose is to grow business and entrepreneurship, create quality jobs, economic diversity and regional prosperity through a variety of services including instructional classes, networking, mentoring and workspace. As part of this MOU, LEDA committed to provide a transfer of funding in the amount of \$85,000 in exchange for services for OM's commitment to coordinate with national, state, and local stakeholders to identify and develop business education sessions and a startup pitch competition as part of a conference-like event to be entitled "Innovate South". The education sessions will work to drive technology led entrepreneurship and community driven business education. These sessions will be delivered over multi-day event on or about April 24-26 of 2024.

Effective November 15, 2023, LEDA entered into a cooperative endeavor agreement with Louisiana Economic Development (LED) under which the operational cost grant funds reimbursement to LED by CGI Federal of \$5,300,000 will be transferred to LEDA for the creation of the Acadiana Region Technology Sector Workforce Development Grant to be administered by LEDA for education and training in the fields of Information Technology, Cybersecurity, Data Analytics, Computer Programming, Software Development, Computer Networking, Health Information Management, Technology Management, Artificial Intelligence, or any other related fields agreed upon by LED and LEDA. CGI shall begin the reimbursement process in year one (within one year of execution of the agreement) at \$530,000 per year and every year thereafter for a period of ten years to end December 31, 2033 until the total \$5,300,000 operational cost granted provided shall be fully reimbursed. LEDA will be allowed an annual five percent administrative fee assessment from the funding received from LED for eligible costs incurred in fulfilling its administrative role.

Effective January 1, 2024, LEDA entered into a Memorandum of Understanding (MOU) with Opportunity Machine, Inc. (OM), a not-for-profit entity whose primary purpose is to grow business and entrepreneurship, create quality jobs, economic diversity and regional prosperity through a variety of services including instructional classes, networking, mentoring and workspace. As part of this MOU, LEDA committed to provide working capital and support services in exchange for OM's commitment to fund entrepreneurial recruitment projects and regional marketing efforts that will include Lafayette Parish. LEDA shall transfer up to \$220,000 prior to December 31, 2024 to be used for operational expenses and expenses associated with OM. LEDA also agrees to employ OM staff and also provide accounting services and support. Under the prior MOU, for the year ended December 31, 2023, LEDA funded \$220,000 under this MOU and also paid \$338,633 in salaries and benefits for the above referenced employees.

(I) LITIGATION

There was no litigation pending against the Authority as of December 31, 2023.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

(J) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE PRESIDENT/CEO

A detail of compensation, benefits, and other payments paid to President and CEO for the year ended December 31, 2023:

Purpose	Mandi Mitchell
Salary	\$ 250,000
Benefits – Insurance	12,812
Benefits - Retirement	28,750
Car allowance	12,000
Special Meals and Per Diems	2,396
Reimbursements	1,467
Conference Travel and Registration Fees	28,930
Professional Development and Continued Education	1,165
Total compensation, benefits, and other payments	\$ 337,520

(K) ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Authority adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The objective of this Statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The implementation of this standard had no effect on the City’s financial statements for the year ended December 31, 2023.

(L) NEW ACCOUNTING PRONOUNCEMENTS

As of December 31, 2023, the Governmental Accounting Standards Board has issued several statements not yet implemented by the Authority. The statements that may impact the Authority are as follows:

GASB Statement 100, *Accounting Changes and Error Corrections*

This primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement 101, *Compensated Absences*

This Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2024.

(M) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 21, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 4,240,000	\$ 4,600,000	\$ 4,644,593	\$ 44,593
Intergovernmental	450,000	1,171,000	1,131,450	(39,550)
Miscellaneous	<u>30,000</u>	<u>38,200</u>	<u>39,199</u>	<u>999</u>
Total revenues	<u>4,720,000</u>	<u>5,809,200</u>	<u>5,815,242</u>	<u>6,042</u>
Expenditures:				
Current:				
General government	4,311,500	4,662,000	4,284,577	377,423
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>10,750</u>	<u>14,250</u>
Total expenditures	<u>4,336,500</u>	<u>4,687,000</u>	<u>4,295,327</u>	<u>391,673</u>
Excess of revenues over expenditures	<u>383,500</u>	<u>1,122,200</u>	<u>1,519,915</u>	<u>397,715</u>
Other financing sources (uses):				
Interest earned	25,000	193,400	199,677	6,277
Operating transfers out	<u>(408,500)</u>	<u>(1,315,600)</u>	<u>(1,315,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>(383,500)</u>	<u>(1,122,200)</u>	<u>(1,115,923)</u>	<u>6,277</u>
Deficiency of revenues and other sources over expenditures and other uses	-	-	403,992	403,992
Fund balance, beginning	<u>5,852,366</u>	<u>5,852,366</u>	<u>5,852,366</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,852,366</u>	<u>\$ 5,852,366</u>	<u>\$ 6,256,358</u>	<u>\$ 403,992</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA PAROCHIAL RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2023**

Year ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.208370%	\$ 801,973	\$ 1,423,538	56.3%	91.74%
2022	0.230388%	\$ (1,084,756)	\$ 1,535,699	-70.6%	110.46%
2021	0.221561%	\$ (388,488)	\$ 1,479,813	-26.3%	104.00%
2020	0.220618%	\$ 10,386	\$ 1,400,148	0.7%	99.89%
2019	0.199630%	\$ 886,030	\$ 1,398,888	63.3%	88.86%
2018	0.212759%	\$ (157,920)	\$ 1,309,567	-12.1%	101.98%
2017	0.230539%	\$ 474,798	\$ 1,367,222	34.7%	94.15%
2016	0.219292%	\$ 577,240	\$ 1,257,334	45.9%	92.23%
2015	0.206091%	\$ 56,347	\$ 1,183,718	4.8%	99.15%

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 163,707	\$ 163,707	\$ -	\$ 1,423,538	11.50%
2022	\$ 188,123	\$ 188,124	\$ 1	\$ 1,535,699	12.25%
2021	\$ 181,277	\$ 181,277	\$ -	\$ 1,479,813	12.25%
2020	\$ 161,017	\$ 161,017	\$ -	\$ 1,400,148	11.50%
2019	\$ 160,872	\$ 160,872	\$ -	\$ 1,398,888	11.50%
2018	\$ 163,696	\$ 163,696	\$ -	\$ 1,309,567	12.50%
2017	\$ 177,739	\$ 177,739	\$ -	\$ 1,367,222	13.00%
2016	\$ 182,313	\$ 182,313	\$ -	\$ 1,257,334	14.50%
2015	\$ 189,395	\$ 189,395	\$ -	\$ 1,183,718	16.00%

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

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments, which are not required legally or by sound financial management to be accounted for in another fund.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023		Variance - Favorable (Unfavorable)	2022 Actual
	Final Budget	Actual		
Current:				
General government:				
Salaries, taxes and benefits	\$ 2,200,000	\$ 2,072,382	\$ 127,618	\$ 1,886,951
Existing business retention/expansion	30,000	20,896	9,104	51,589
Professional development	50,000	37,670	12,330	36,391
Business recruitment	85,000	71,643	13,357	50,236
Artspark	-	-	-	32,500
Sustainable Community	-	-	-	355
Marketing and advertising	175,000	163,041	11,959	62,370
Office operations	151,000	145,140	5,860	141,863
Industrial property maintenance	40,000	39,269	731	38,416
Legal notices and audit	22,000	19,191	2,809	19,695
Insurance	97,000	96,690	310	42,790
Louisiana Public Retirement	175,000	168,808	6,192	155,631
Professional fees	175,000	161,390	13,610	308,236
Governmental Affairs Liaison	53,000	51,514	1,486	38,694
Contingencies	5,000	-	5,000	-
Market intelligence	52,000	50,146	1,854	18,885
Technology	54,000	52,421	1,579	55,013
State Treasury CEA	840,000	769,157	70,843	156,792
Small Business & DBE Development	30,000	30,000	-	-
Workforce Connection Programs	70,000	61,019	8,981	62,620
Opportunity Machine	220,000	220,000	-	220,000
Innovation Center	33,000	15,859	17,141	37,275
Special projects	105,000	38,341	66,659	132,391
Capital outlay:				
Equipment and furniture	25,000	10,750	14,250	10,108
Total	<u>\$ 4,687,000</u>	<u>\$ 4,295,327</u>	<u>\$ 391,673</u>	<u>\$ 3,558,801</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Compensation Paid to Members of the Board of Commissioners
December 31, 2023**

The commissioners of the Authority receive no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER INFORMATION**



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

2000 Kaliste Saloom Road, Suite 300
Lafayette, LA 70508

P 337-232-3312
F 337-237-3614

DSFCPAS.COM

OTHER LOCATIONS:

Eunice Morgan City Abbeville

**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 *GOVERNMENT AUDITING STANDARDS***

Chairman of the Board
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, 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, each major fund, and the aggregate remaining fund information of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of and for the year ended December 31, 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 June 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of 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 charge 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 have not been 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.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

June 21, 2024

Lafayette, Louisiana

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Summary of Corrective Action Taken on Prior Year Findings
December 31, 2023**

There were no prior year findings.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2023**

We have audited the financial statements of the Lafayette Economic Development Authority as of and for the year ended December 31, 2023, and have issued our report thereon dated June 21, 2024. 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 audit of the financial statements as of December 31, 2023 resulted in an unmodified opinion.

Section I – Summary of Auditors’ Reports

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

Internal Control

Material Weaknesses Yes x No
Control Deficiency Yes x No

Compliance

Compliance Material to Financial Statements Yes x No

Section II – Financial Statement Findings

There were no current year findings.

Section III – Federal Award Findings and Questioned Costs.

This section is not applicable for the year ended December 31, 2023.

**LAFAYETTE ECONOMIC DEVELOPMENT
AUTHORITY**
Lafayette, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2023



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS



OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management of
Lafayette Economic Development Authority
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and do address the functions noted above.
 - 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.
Written policies and procedures were obtained and do address the functions noted above.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.
 - 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).

Written policies and procedures were obtained and do address the functions noted above.

- 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.

Written policies and procedures were obtained and do address the functions noted above.

- 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.

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- 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).

Written policies and procedures were obtained and do address the functions noted above.

- 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.

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- 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.

Written policies and procedures were obtained and do address the functions noted above.

- 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.

Written policies and procedures were obtained and do address the functions noted above.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- 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 exceptions 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 exceptions 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.

Obtained the prior year audit report and observed that there were no audit findings.

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:

Obtained listing of bank accounts from management and management's representation that the listing was complete.

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

No exceptions 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 within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exceptions 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 exceptions noted.

4) Collections (excluding electronic funds transfers)

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

Obtained listing of deposit sites and management's representation that the listing was complete.

- 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

Obtained listing of collection locations from management and management's representation that the listing was complete.

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

No exceptions 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;

No exceptions noted.

- 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

No exceptions noted.

- 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/official verifies the reconciliation.

No exceptions noted.

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

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.*

- E. Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions 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 exceptions noted.

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

No exceptions noted.

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

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

Obtained listing of locations that process payments and management's representation that the listing was complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

No exceptions noted.

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

No exceptions 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;

No exceptions noted.

- 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 exceptions 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 exceptions noted.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions noted.
 - 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 exceptions noted.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

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.
Obtained listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing was complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
No exceptions noted.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions 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:

Obtained listing of travel and travel-related expense reimbursements and management’s representation that the listing was complete.

- 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);

No exceptions noted

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

No exceptions noted.

- 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

No exceptions noted.

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

No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

Obtained listing of all contracts in effect and management's representation that the listing was complete.

- 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 exceptions noted.

- 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 exceptions noted.

- 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 exceptions noted.

- 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 exceptions noted.

9) Payroll and Personnel

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

Obtained listing of employees and management's representation that the listing was complete. Authorized salaries/pay rates traced to personnel files without exception.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

- 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.

No exceptions noted.

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

No exceptions noted.

11) Debt Service

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

No exceptions noted.

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

No exceptions noted.

12) Fraud Notice

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

No misappropriations of public funds or assets 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 exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from the Payroll and Personnel procedure at #9A, obtain cybersecurity training and documentation from management, and observe that the documentation demonstrates that the employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

No exceptions noted.

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

No exceptions noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

No exceptions noted.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

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

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

This report is intended solely to describe the scope of testing performed on those control and compliance 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.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 18, 2024