

**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

Jefferson Parish, Louisiana

Audit of Financial Statements

December 31, 2018



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Independent Auditor's Report

To the Board of Commissioners
Jefferson Parish Economic Development Commission
Avondale, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the fiduciary fund of the Jefferson Parish Economic Development Commission (JEDCO), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise JEDCO's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the fiduciary fund of JEDCO as of December 31, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page 5, and the budgetary comparison schedules, beginning on page 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise JEDCO's basic financial statements. The statement of financial position for JEDCO Development Corporation, the statement of activities and change in net assets for JEDCO Development Corporation, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of financial position for JEDCO Development Corporation, the statement of activities and change in net assets for JEDCO Development Corporation, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of financial position for JEDCO Development Corporation, the statement of activities and change in net assets for JEDCO Development Corporation, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2019, on our consideration of JEDCO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 JEDCO'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 JEDCO's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Metairie, LA
May 7, 2019

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

The Management's Discussion and Analysis (MD&A) of Jefferson Parish Economic Development Commission's (JEDCO) financial performance provides an overall review and an objective, easily readable analysis of JEDCO's financial activities for the year ended December 31, 2018. The intent of the MD&A is to review JEDCO's overall financial performance and to assist readers in assessing its financial position. Therefore, readers should read this MD&A in conjunction with JEDCO's financial statements and the notes to the financial statements.

Financial Highlights

- The assets of JEDCO exceeded its liabilities at the end of December 31, 2018 by \$32,647,578 (*net position*). Of this amount, \$2,952,770 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- JEDCO's total net position decreased by \$72,982. The decrease in net position is significantly less than the 2017 decrease due to the recognition of bad debt expense on loans receivable written off or allowed for in 2017.
- JEDCO's total assets increased by \$298,959 during the current year. The increase is primarily related to the increase in notes receivable.
- JEDCO's total liabilities increased by \$371,941 during the current year. The increase was primarily due to amounts due to borrowers on loan closings in the BRGL/LRCF Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to JEDCO's basic financial statements. JEDCO'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 supplementary information in addition to the basic financial statements themselves.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with an overview of JEDCO's finances, in a manner similar to a private-sector entity.

The *statement of net position* presents information on all of JEDCO'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 JEDCO is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying events giving rise to the changes 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 revenues and compensated absences payable).

Both of the government-wide financial statements distinguish functions of JEDCO that are principally supported by intergovernmental revenues and charges for services. The governmental activities of JEDCO include its Business Financing Program, Economic Development Services Program, the Economic Development Administration (EDA) Revolving Loan Fund Program, Jefferson Edge Program, BRGL/LRCF Program, Louisiana Innovation Loan and Technical Assistance Program (ILTAP), JEDCO building expenses and Technology Park expenses, Business Innovation Center, the JEDCO Conference Center, Strategic Initiatives, and Marketing and Administrative expenditures.

The government-wide financial statements can be found on pages 15 to 16 of this report and include the discretely presented component units, FORJ and JEDCO Development Corporation.

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. JEDCO, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of JEDCO can be divided into two categories: governmental funds and fiduciary 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 year. Such information may be useful in evaluating a government's near-term financing requirements.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

JEDCO maintains six 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, Jefferson Edge Fund, EDA Revolving Loan Fund, BRGL/LRCF Fund, ILTAP Fund, and JEDCO Debt Service Fund, all of which are considered to be major funds.

JEDCO adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. Budgetary comparison schedules have been provided for the General Fund and all major Special Revenue Funds in the required supplementary information.

The basic governmental fund financial statements can be found on pages 18 and 20.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support JEDCO's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 23 of this report.

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 begin on page 25 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* in the form of budgetary comparison schedules for the General Fund and all major Special Revenue Funds. This information was discussed earlier in the governmental fund section. The required supplementary information begins on page 44 of this report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

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 JEDCO, assets exceeded liabilities by \$32,647,578, at December 31, 2018.

Statements of Net Position

	2018	2017
Assets		
Current and Other Assets	\$ 5,952,001	\$ 6,431,820
Notes Receivable	8,812,082	7,635,397
Capital Assets	20,628,563	21,026,470
Total Assets	35,392,646	35,093,687
Liabilities		
Other Liabilities	678,114	178,819
Long-Term Liabilities Outstanding	2,066,954	2,194,308
Total Liabilities	2,745,068	2,373,127
Net Position		
Net Investment in Capital Assets	18,632,563	18,904,177
Restricted		
Economic Development	58,330	158,330
Jefferson Edge	985,373	1,042,965
EDA Revolving Loan Fund	1,306,297	1,344,519
BRGL/LRCF Fund	6,297,686	6,208,686
ILTAP Fund	2,414,559	2,394,092
JEDCO Debt Service Fund	-	293
Unrestricted	2,952,770	2,667,498
Total Net Position	\$ 32,647,578	\$ 32,720,560

Net investment in capital assets represents JEDCO's net book value of its fixed assets, less any related debt used to acquire those assets. It is the accumulation of years of investments in fixed assets. These assets are not available for spending. The restricted portion of net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,952,770) may be used to meet the government's ongoing obligations to citizens and creditors.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

At the end of the current period, JEDCO is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior year.

The government's net position decreased by \$72,982 during the current year. The decrease in net position is significantly less than the 2017 decrease due to the recognition of bad debt expense on loans receivable written off or allowed for in 2017.

Governmental activities. Governmental activities decreased JEDCO's net position by \$72,982. Key elements of this decrease are as summarized below.

Charges for services increased by \$173,834 in the current year primarily due to an increase in loan closings.

Operating grants and contributions decreased by \$167,588 primarily due to a decrease in revenues from cooperative endeavor agreements with local governmental entities.

Capital grants and contributions decreased by \$420,000 in the current year. For the year ended December 31, 2017, capital grants and contributions consisted solely of a donation of land valued at \$420,000. However, in 2018, these donations did not recur.

Within general revenues, JEDCO's share of occupational license revenues received from Jefferson Parish totaled \$2,052,320, an increase of \$32,320 over the prior year. The increase is due to the 2016 resolution by the Jefferson Parish Council increasing the allocation annually based on adjustments in the consumer price index.

In total, expenses decreased by \$1,498,686 from the prior year. The decrease is primarily due to bad debt expense totaling \$1,984,725 recognized on loans and accounts receivable during the year ended December 31, 2017.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

**Management's Discussion and Analysis
For the Year Ended December 31, 2018**

Statements of Activities

	2018	2017
Revenues		
Program Revenues		
Charges for Services	\$ 572,145	\$ 398,311
Operating Grants and Contributions	311,532	479,120
Capital Grants and Contributions	-	420,000
General Revenues		
Share of Jefferson Parish Occupational Licenses	2,052,320	2,020,000
Interest and Investment Earnings	384,705	298,255
Miscellaneous	43,139	44,498
Total Revenues	3,363,841	3,660,184
Expenses		
Administrative	1,655,422	1,426,297
Economic Development Services	279,601	255,005
Marketing	232,226	233,987
Financing	274,280	232,412
Business Innovation Center	61,581	122,217
Jefferson Edge	323,312	88,453
Tech Park	244,932	240,877
Strategic Initiatives	92,939	53,535
Conference Center	117,267	118,967
Kenner Program	-	24,125
Building Expense	155,263	154,909
Bad Debt Expense	-	1,984,725
Total Expenses	3,436,823	4,935,509
Change in Net Position	(72,982)	(1,275,325)
Net Position, Beginning of Year	32,720,560	33,995,885
Net Position, End of Year	\$ 32,647,578	\$ 32,720,560

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

Financial Analysis of the Government's Funds

As noted earlier, JEDCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of JEDCO's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing JEDCO's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, JEDCO's governmental funds reported combined fund balances of \$14,085,969, an increase of \$197,571 in comparison with the prior year. Of this balance, \$2,806,060 is considered to be unassigned.

The General Fund is the chief operating fund of JEDCO. At the end of the current year, the General Fund has a total fund balance of \$3,082,054, of which \$2,806,060 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 117 percent of total General Fund expenditures. The General Fund's fund balance increased by \$184,211 during the current year. The largest single revenue source for the General Fund continues to be JEDCO's share of occupational license revenues from Jefferson Parish. The occupational license revenue recognized in the General Fund increased \$32,320 from the prior year to \$2,052,320 in 2018.

The Jefferson Edge Special Revenue Fund has a total fund balance of \$985,373 of which \$983,173 is restricted for use based on the donors' intent. The net decrease in the fund balance during the current year was \$57,592.

The EDA Revolving Loan Special Revenue Fund has a total fund balance of \$1,306,297, of which \$1,094,341 is nonspendable since it is not expected to be available until the year ending December 31, 2019. The net decrease in the fund balance during the current year was \$38,222, primarily related to administrative expenses incurred in excess of interest income earned.

The BRGL/LRCF Special Revenue Fund has a total fund balance of \$6,297,686, of which \$5,684,355 is nonspendable for use since it is not expected to be available until the year ending December 31, 2019. The net increase in fund balance during the current year was \$89,000.

The ILTAP Special Revenue Fund has a total fund balance of \$2,414,559, of which \$2,002,202 is nonspendable for use since it is not expected to be available until the year ending December 31, 2019. The net increase in fund balance during the current year was \$20,467, primarily related to interest income earned in excess of administrative expenses.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

The JEDCO Debt Service Fund has a total fund balance of \$-0-. The fund was created in 2015 through the issuance of revenue bonds. The total fund balance is restricted for the future debt service of the revenue bonds.

General Fund Budgetary Highlights

JEDCO's budget is prepared according to Louisiana law. During the course of the year, JEDCO revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. A statement showing JEDCO's original and final budget compared with actual operating results is provided in this annual report. The General Fund's actual revenues exceeded projected revenues by \$47,934, and actual expenditures were less than final projections by \$337,891.

A comparison of actual results as of December 31, 2018 and the final budget for the General Fund are as follows:

	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
Total Revenues	\$ 2,740,750	\$ 2,788,684	\$ 47,934
Total Expenditures	2,731,208	2,393,317	337,891
Total Net Change	\$ 9,542	\$ 395,367	\$ 385,825

Capital Assets, Depreciation, and Debt Administration

Capital Assets

At December 31, 2018, JEDCO had \$20,628,563 invested in capital assets. This amount is net of accumulated depreciation to date. The net book value of capital assets at December 31, 2018, is as follows:

Land and Improvements	\$ 8,713,804
Infrastructure, Net	4,284,379
Office Furniture and Equipment, Net	77,867
Conference Center Furniture and Equipment, Net	26,324
Conference Center Building, Net	2,481,760
JEDCO Building and Improvements, Net	5,044,429
Total	\$ 20,628,563

Depreciation expense for the year ended December 31, 2018 was \$467,415. Additional information on JEDCO's capital assets can be found in Note 5.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2018

Long-Term Obligations

JEDCO's long-term obligations at December 31, 2018, are comprised of:

Revenue Bonds	\$ 1,996,000
Compensated Absences Payable	<u>70,954</u>
Total	<u>\$ 2,066,954</u>

Economic Factors and Next Year's Budget

Several factors will influence whether or not JEDCO will experience an increase or decrease of revenues (i.e., occupancy of tenants in the incubator facility in the Churchill Technology and Business Park location, rental conference center, and investment tools). JEDCO anticipates a continual increase in operational expenses largely due to the occupancy of JEDCO's administrative building and the ownership of the JEDCO Conference Center. Examples of such increases include insurance, maintenance, utilities, security, and building and janitorial supplies.

Contacting JEDCO's Financial Management

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of JEDCO's finances and to demonstrate JEDCO's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact JEDCO at 700 Churchill Parkway Boulevard, Avondale, Louisiana 70094 or call (504) 875-3908 during regular office hours.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Net Position
December 31, 2018

Statement A

	Governmental Activities	Discretely Presented Component Units	Total
Assets			
Cash and Cash Equivalents	\$ 2,399,235	\$ 72,226	\$ 2,471,461
Investments	3,383,997	-	3,383,997
Account Receivable	600	-	600
Notes Receivable, Net	8,812,082	-	8,812,082
Due from Other Funds	75,762	-	75,762
Due from Other Governments	42,994	-	42,994
Prepaid Expenses	49,413	-	49,413
Capital Assets, Net			
Land and Improvements	8,713,804	-	8,713,804
Infrastructure Assets, Net	4,284,379	-	4,284,379
Office Furniture and Equipment, Net	77,867	-	77,867
Conference Center Furniture and Equipment, Net	26,324	-	26,324
Conference Center Building, Net	2,481,760	-	2,481,760
JEDCO Building and Improvements, Net	5,044,429	-	5,044,429
Total Assets	35,392,646	72,226	35,464,872
Liabilities			
Accounts Payable	602,367	-	602,367
Due to Other Funds	75,747	15	75,762
Due to Other Governments	-	41,494	41,494
Escrow Deposits	-	20,688	20,688
Compensated Absences Payable, Long-Term	70,954	-	70,954
Long-Term Debt			
Due Within One Year	132,000	-	132,000
Due In More Than One Year	1,864,000	-	1,864,000
Total Liabilities	2,745,068	62,197	2,807,265
Net Position			
Net Investment in Capital Assets	18,632,563	-	18,632,563
Restricted for:			
Economic Development	58,330	-	58,330
Jefferson Edge	985,373	-	985,373
EDA Revolving Loan Fund	1,306,297	-	1,306,297
BRGL/LRCF Fund	6,297,686	-	6,297,686
ILTAP Fund	2,414,559	-	2,414,559
JEDCO Debt Service Fund	-	-	-
Unrestricted Net Position	2,952,770	10,029	2,962,799
Total Net Position	\$ 32,647,578	\$ 10,029	\$ 32,657,607

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Activities
For the Year Ended December 31, 2018

Statement B

Functions / Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	JEDCO	Discretely Presented Component Units	Total
Governmental Activities							
Administrative	\$ 1,655,422	\$ 537,948	\$ -	\$ -	\$ (1,117,474)	\$ -	\$ (1,117,474)
Economic Development Services	279,601	1,862	25,000	-	(252,739)	-	(252,739)
Marketing	232,226	-	-	-	(232,226)	-	(232,226)
Financing	274,280	16,166	-	-	(258,114)	-	(258,114)
Business Innovation Center	61,581	-	16,782	-	(44,799)	-	(44,799)
Jefferson Edge	323,312	-	269,750	-	(53,562)	-	(53,562)
Tech Park	244,932	-	-	-	(244,932)	-	(244,932)
Strategic Initiatives	92,939	-	-	-	(92,939)	-	(92,939)
Conference Center	117,267	16,169	-	-	(101,098)	-	(101,098)
Building Expense	155,263	-	-	-	(155,263)	-	(155,263)
Total Governmental Activities	3,436,823	572,145	311,532	-	(2,553,146)	-	(2,553,146)
Discretely Presented Component Units							
FORJ	189,952	-	-	-	-	(189,952)	(189,952)
JEDCO Development Corporation	82,407	-	-	-	-	(82,407)	(82,407)
Total	\$ 3,709,182	\$ 572,145	\$ 311,532	\$ -	(2,553,146)	(272,359)	(2,825,505)
General Revenues							
Share of Jefferson Parish Occupational Licenses					2,052,320	-	2,052,320
Interest and Investment Earnings					384,705	-	384,705
Miscellaneous					43,139	272,377	315,516
Total General Revenues					2,480,164	272,377	2,752,541
Change in Net Position					(72,982)	18	(72,964)
Net Position, Beginning of Year					32,720,560	10,011	32,730,571
Net Position, End of Year					\$ 32,647,578	\$ 10,029	\$ 32,657,607

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Balance Sheet
Governmental Funds
December 31, 2018

Statement C

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL/LRCF Fund	ILTAP Fund	JEDCO Debt Service Fund	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 381,306	\$ 186,317	\$ 195,922	\$ 1,246,661	\$ 389,029	\$ -	\$ 2,399,235
Investments	2,556,435	827,562	-	-	-	-	3,383,997
Accounts Receivable	600	-	-	-	-	-	600
Notes Receivable, Net	-	-	1,161,560	5,586,501	2,064,021	-	8,812,082
Due from Other Funds	75,762	-	-	-	-	-	75,762
Due from Other Governments	42,994	-	-	-	-	-	42,994
Prepaid Expenses	47,212	2,200	-	-	-	-	49,412
Total Assets	\$ 3,104,309	\$ 1,016,079	\$ 1,357,482	\$ 6,833,162	\$ 2,453,050	\$ -	\$ 14,764,082
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 22,255	\$ 29,192	\$ -	\$ 525,412	\$ 25,507	\$ -	\$ 602,366
Due to Other Funds	-	1,514	51,185	10,064	12,984	-	75,747
Total Liabilities	22,255	30,706	51,185	535,476	38,491	-	678,113
Fund Balances							
Nonspendable	47,212	2,200	1,094,341	5,684,355	2,002,202	-	8,830,310
Restricted	58,330	983,173	211,956	613,331	412,357	-	2,279,147
Assigned	170,452	-	-	-	-	-	170,452
Unassigned	2,806,060	-	-	-	-	-	2,806,060
Total Fund Balances	3,082,054	985,373	1,306,297	6,297,686	2,414,559	-	14,085,969
Total Liabilities and Fund Balances	\$ 3,104,309	\$ 1,016,079	\$ 1,357,482	\$ 6,833,162	\$ 2,453,050	\$ -	\$ 14,764,082

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2018

Statement D

Fund Balances - Total Governmental Funds		\$ 14,085,969
Cost of Capital Assets at December 31, 2018	\$ 24,394,820	
Less: Accumulated Depreciation as of December 31, 2018	<u>(3,766,257)</u>	20,628,563
Long-Term Liabilities at December 31, 2018		
Bonds Payable		(1,996,000)
Compensated Absences Payable		<u>(70,954)</u>
Net Position of Governmental Activities		<u>\$ 32,647,578</u>

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

Statement E

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL/LRCF Fund	ILTAP Fund	JEDCO Debt Service Fund	Total Governmental Funds
Revenues							
Intergovernmental							
Share of Jefferson Parish Occupational Licenses	\$ 2,052,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,052,320
CEA Revenue	25,000	-	-	-	-	-	25,000
Charges for Services	555,976	-	-	-	-	-	555,976
Business Innovation Center Revenue	16,782	-	-	-	-	-	16,782
Conference Center	16,169	-	-	-	-	-	16,169
Interest and Investment Earnings	59,798	16,470	54,738	197,941	55,758	-	384,705
Miscellaneous	42,139	-	-	1,000	-	-	43,139
Donations	20,500	249,250	-	-	-	-	269,750
Total Revenues	2,788,684	265,720	54,738	198,941	55,758	-	3,363,841
Expenditures							
Administrative	1,283,625	-	92,960	109,941	35,291	-	1,521,817
Economic Development Services	279,601	-	-	-	-	-	279,601
Marketing	232,226	-	-	-	-	-	232,226
Financing	274,280	-	-	-	-	-	274,280
Business Innovation Center	61,581	-	-	-	-	-	61,581
Jefferson Edge	-	323,312	-	-	-	-	323,312
Tech Park	71,576	-	-	-	-	-	71,576
Strategic Initiatives	92,939	-	-	-	-	-	92,939
Conference Center	27,981	-	-	-	-	-	27,981
Capital Outlay	69,508	-	-	-	-	-	69,508
Debt Service	-	-	-	-	-	211,449	211,449
Total Expenditures	2,393,317	323,312	92,960	109,941	35,291	211,449	3,166,270
Excess (Deficiency) of Revenues Over Expenditures	395,367	(57,592)	(38,222)	89,000	20,467	(211,449)	197,571
Other Financing Sources (Uses)							
Transfers from Other Funds	-	-	-	-	-	211,156	211,156
Transfers to Other Funds	(211,156)	-	-	-	-	-	(211,156)
Total Other Financing Sources (Uses), Net	(211,156)	-	-	-	-	211,156	-
Net Change in Fund Balances	184,211	(57,592)	(38,222)	89,000	20,467	(293)	197,571
Fund Balances, Beginning of Year	2,897,843	1,042,965	1,344,519	6,208,686	2,394,092	293	13,888,398
Fund Balances, End of Year	\$ 3,082,054	\$ 985,373	\$ 1,306,297	\$ 6,297,686	\$ 2,414,559	\$ -	\$ 14,085,969

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the Year Ended December 31, 2018

Statement F

Net Change in Fund Balances - Total Governmental Funds	\$ 197,571
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which bond repayments exceeded proceeds.</p>	126,000
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
<p>Capital Outlays - Paid by JEDCO</p>	\$ 69,508
<p>Depreciation Expense</p>	(467,415)
	(397,907)
<p>Changes in compensated absences affect long-term liabilities in the statement of net position, but is not recognized as an expenditure in the governmental funds until paid. This is the amount by which compensated absences decreased in the current period.</p>	1,354
	1,354
Change in Net Position of Governmental Activities	\$ (72,982)

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
FIDUCIARY FUNDS**

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2018

Statement G

	HUD Revolving Loan Agency Fund
<hr/>	
Assets	
Cash and Cash Equivalents	<u>\$ 21,495</u>
Total Assets	<u><u>\$ 21,495</u></u>
 Liabilities	
Due to Jefferson Parish Department of Community Development	<u>\$ 21,495</u>
Total Liabilities	<u><u>\$ 21,495</u></u>

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

NOTES TO FINANCIAL STATEMENTS

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Introduction

The Jefferson Parish Economic Development Commission (JEDCO) is a special district of Jefferson Parish, Louisiana which was created by House Bill No. 908 of the 1987 Regular Session of the Louisiana Legislature. The name under which it was created is Jefferson Parish Economic Development and Port District, but in accordance with its bylaws, it operates under the name Jefferson Parish Economic Development Commission or JEDCO.

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of JEDCO have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB authoritative guidance is documented in the GASB Codification.

Reporting Entity

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

Based on the foregoing criteria, JEDCO was determined to be a component unit of Jefferson Parish, Louisiana, which is the governing body with oversight responsibility. The accompanying basic financial statements present information only on the funds maintained by JEDCO and its discretely presented component units and do not present information on Jefferson Parish, the general government services provided by Jefferson Parish, or the other governmental units that comprise the governmental reporting entity of Jefferson Parish. These financial statements present JEDCO (the primary government) and its discretely presented component units Forward Jefferson Corporation (a non-profit organization) (FORJ) and JEDCO Development Corporation (a non-profit organization). As defined in GASB authoritative guidance component units are legally separate entities that are included in JEDCO's reporting entity because of the significance of their operating or financial relationships with JEDCO. The purpose of FORJ is to assist in the economic growth and development of business concerns in the Jefferson Parish area. The purpose of JEDCO Development Corporation is to assist in the growth and development of small business concerns in the State of Louisiana pursuant to Section 504 of the Development Company Program of the Small Business Investment Act of 1958, as amended. Separate financial statements for FORJ and JEDCO Development Corporation are not issued.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

JEDCO's basic financial statements include both government-wide (reporting JEDCO as a whole) and fund financial statements (reporting JEDCO's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. JEDCO's activities are classified as governmental activities.

In the government-wide statement of net position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. JEDCO's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of JEDCO's functions. The statement of activities reduces gross expenses (including depreciation) by related program revenues, which includes charges for services and operating and capital grants and contributions. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are also supported by general revenues (occupational license revenue and investment earnings).

JEDCO does not allocate indirect costs. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. This government-wide focus is more on the sustainability of JEDCO as an entity and the change in JEDCO's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of JEDCO are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB authoritative guidance sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. JEDCO electively included as major funds those funds which either had debt outstanding or a specific community focus.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

JEDCO reports these major governmental funds and fund types:

General Fund

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.

Special Revenue Funds

The Jefferson Edge Fund is the government's primary fund for the Jefferson Edge Program. This program supports the overall economic development strategic plan for Jefferson Parish. This fund is supported by Jefferson Parish and the private sector through annual or multi-year commitments.

The EDA Revolving Loan Fund accounts for the grants received from the Economic Development Administration.

The BRGL/LRCF Fund accounts for the activity of the Business Recovery Grant and Loan Program as funded by the Department of Housing and Urban Development through the State of Louisiana Office of Economic Development.

The ILTAP Fund accounts for the activity of the Innovation Loan and Technical Assistance Program as funded by the Department of Housing and Urban Development through the State of Louisiana Office of Community Development.

Debt Service Fund

The JEDCO Debt Service Fund accounts for the proceeds from the issuance and subsequent debt service of the 2015 Revenue Bonds.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

Fund Financial Statements - Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support JEDCO. The reporting focus is on net position and changes in net position which are reported using accounting principles similar to proprietary funds.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Fiduciary Funds (Continued)

JEDCO has one fiduciary fund, the HUD Revolving Loan Fund. This fund accounts for loans made by the Department of Housing and Urban Development Community Block Grant Loan Guarantee Program to borrowers in the community for economic development. Because by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of JEDCO, these funds are not incorporated into the government-wide statements.

Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year. The level of budgetary control is at the fund level and expenditures may not exceed budgeted appropriations. Appropriations which are not expended lapse at year-end. A budget is adopted for the General Fund, the Jefferson Edge Special Revenue Fund, the EDA Revolving Loan Special Revenue Fund, the BRGL/LRCF Loan Special Revenue Fund, and the ILTAP Special Revenue Fund. A budget is also adopted for the JEDCO Development Corporation.

Operating transfers are not included for budget purposes. The adopted budget of expenditures operates as an appropriation for that year. Any unexpended balance of the amount appropriated reverts to the fund balance and becomes available for future appropriation. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as an assignment of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Basis of Accounting - Accrual / Modified Accrual Method

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred. Revenue from shared occupational licenses is considered measurable and available when received and is recorded as revenue at that time.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or within 60 days after year-end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits and certificates of deposit with a maturity date within three months of the date acquired by JEDCO. Louisiana State statutes permit JEDCO to invest in direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, direct security repurchase agreements of any federal book entry only securities, and certificates of deposit of state banks organized under the State of Louisiana, and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which have underlying investments limited to securities of the U.S. government or its agencies, and the Louisiana Asset Management Pool (LAMP). Investments for JEDCO are reported at fair value. LAMP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Allowance for Uncollectible Receivables

An allowance for estimated uncollectible receivables is established when collectability of a loan or an account becomes doubtful. As of December 31, 2018, management has established an allowance of \$1,872,283 for estimated uncollectible notes receivable related to loans in the BRGL/LRCF Loan Fund.

Capital Assets and Depreciation

For the government-wide financial statements, capital assets purchased or acquired with an original cost of \$500 or more are recorded at cost in the statement of net position. Donated assets are valued at their estimated fair market value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Building	40 Years
Infrastructure	25 - 40 Years
Building and Leasehold Improvements	5 - 10 Years
Office Furniture	5 - 7 Years

For fund financial statements, capital acquisitions are reflected as capital outlay expenditures in the governmental funds at the time purchased. GASB authoritative guidance requires JEDCO to report and depreciate new infrastructure assets. Infrastructure assets for JEDCO consist of the roads and sewer work performed for the Churchill Technology and Business Park.

Collection Items

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, works of art owned by JEDCO are not capitalized since the items:

- are held for public exhibition rather than financial gain
- are protected, kept unencumbered, cared for, and maintained
- are subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections

Compensated Absences

In the governmental funds, only that portion which is expected to be liquidated from expendable available financial resources is accrued at year-end. The remainder of the accrued liability which is applicable to governmental fund types is reported in the government-wide financial statements. The amount of accumulated annual leave at December 31, 2018 applicable to governmental fund types was \$70,954, none of which met the condition for accrual in the governmental fund types; hence, the entire amount is reported in the government-wide financial statements. In accordance with GASB authoritative guidance, no liability is recorded for accumulated sick pay benefits because such benefits can be used only for sick leave.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable Fund Balance - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance - amounts that can be spent only for specific purposes because of the bylaws, parish ordinances, or externally imposed conditions by grantors, creditors, or citizens.
3. Committed Fund Balance - amounts that can be used only for specific purposes determined by a formal action by an ordinance or resolution by the Board of Commissioners.
4. Assigned Fund Balance - amounts that are constrained by JEDCO's intent that they will be used for specific purposes. The Board of Commissioners is the only body authorized to assign amounts for a specific purpose and is the highest level of decision-making.
5. Unassigned Fund Balance - all amounts not included in other spendable classifications.

JEDCO considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. When other unrestricted fund balance classifications are available for use, JEDCO also considers committed fund balances to be spent first, followed by assigned and unassigned, respectively.

Income Taxes

Both FORJ and JEDCO Development Corporation are exempt from federal income tax as organizations described in Section 501(c)(3). Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. FORJ and JEDCO Development Corporation believe that they have appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Standards

In January 2017, the GASB issued Statement No. 84. The objective of GASB Statement No. 84, *Fiduciary Activities*, is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management is still evaluating the potential impact of adoption on JEDCO's financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In June 2017, the GASB issued Statement No. 87. The objective of GASB Statement No. 87, *Leases*, is to better meet the information needs of the 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 were previously 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. Management is still evaluating the potential impact of adoption on the JEDCO's financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In March 2018, the GASB issued Statement No. 88. The objective of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, is to improve consistency in information that is disclosed in notes to government financial statements related to debt and to provide financial statement users with additional essential information about debt. Management is still evaluating the potential impact of adoption on the JEDCO's financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In June 2018, the GASB issued Statement No. 89. The objective of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, is to establish accounting requirements for interest cost incurred before the end of a construction period. Management is still evaluating the potential impact of adoption on the JEDCO's financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 2. Legal Compliance - Budget

Under state law, JEDCO is required to complete and submit a budget for its General and Special Revenue Funds to the governing authority of Jefferson Parish no later than fifteen days prior to the beginning of the fiscal year to which the budget applies. The total proposed expenditures may not exceed the total of estimated funds available at the fund level. Public participation in the budgetary process prior to adoption of the budget is required if the total proposed expenditures are \$500,000 or more. For 2018, JEDCO complied with these budget requirements.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments

JEDCO's cash, cash equivalents, and investments consist primarily of demand deposits and investments with LAMP.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that JEDCO's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2018, the carrying amount of JEDCO's deposits was \$2,420,730 of which \$21,495 is reported in the agency fund and \$2,399,235 is reported in the statement of net position.

At December 31, 2018, the bank balance of deposits was \$2,494,746, of which \$500,000 was covered by federal deposit insurance and \$1,994,746 was covered by collateral with a fair market value totaling \$2,119,874.

Investments

State statutes authorize the government to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana Revised Statute (L.R.S.) 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit Risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 30 days as of December 31, 2018.
- Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please contact the LAMP administrative office at 800-249-5267.

At December 31, 2018, the carrying amount of the LAMP investment was \$3,383,997.

Note 4. Notes Receivable

Revolving Loan Funds

JEDCO has notes receivable recorded in the EDA Revolving Loan Fund which are made to various businesses under the terms of the capitalization grant received from the Economic Development Administration. These notes total \$1,161,560, at December 31, 2018. The notes have various maturity dates and interest rates.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 4. Notes Receivable (Continued)

Revolving Loan Funds (Continued)

JEDCO has notes receivable recorded in the BRGL/LRCF Fund which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Economic Development. These notes total \$5,586,501, net of allowance of \$1,872,283, at December 31, 2018. The notes have various maturity dates and interest rates.

In the ILTAP Fund, JEDCO has notes receivable which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Community Development. These notes total \$2,064,021, at December 31, 2018. The notes have various maturity dates and interest rates.

Note 5. Capital Assets

Capital asset balances and current year activity for the fiscal year ended December 31, 2018, was as follows:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Land and Improvements	\$ 8,713,804	\$ -	\$ -	\$ 8,713,804
Infrastructure	6,008,525	-	-	6,008,525
JEDCO Building	6,196,354	-	-	6,196,354
Building Improvements	-	42,504	-	42,504
Conference Center Building	2,846,725	-	-	2,846,725
Conference Center Furniture and Equipment	164,310	-	-	164,310
Office Furniture and Equipment	490,426	27,004	94,832	422,598
Total	24,420,144	69,508	94,832	24,394,820
Less: Accumulated Depreciation	(3,393,674)	(467,415)	94,832	(3,766,257)
Total Capital Assets, Net	\$ 21,026,470	\$ (397,907)	\$ -	\$ 20,628,563

Depreciation expense of \$467,415, for the year ended December 31, 2018, is presented on the government-wide statement of activities as follows:

Governmental Activities

Administrative	\$ 49,510
Building Expense	155,263
Conference Center	89,286
Tech Park	173,356
Total	\$ 467,415

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 6. Operating Leases

Equipment Leases

JEDCO leases office equipment under agreements that expire in December 2020 and requires JEDCO to make fixed monthly payments in addition to print charges.

Future minimum lease payments are as follows:

Year Ending December 31,	Amount
2019	\$ 4,774
2020	4,264
Total	<u>\$ 9,038</u>

Note 7. Employment Agreement

Effective January 1, 2017, JEDCO renewed its employment agreement with its chief executive officer. The agreement is for thirty-six months and covers, among other matters, compensation, benefits, and termination.

Note 8. Escrow Deposits

JEDCO assists local businesses in obtaining loans from the Small Business Administration. JEDCO Development Corporation collects an application fee at the beginning of the loan process. These application fees are held in an account until the loan process is completed. All application fees are returned to the applicant even if the loan is not obtained. Escrow deposits totaled \$20,688, at December 31, 2018.

Note 9. Contributed Services

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

Note 10. Long-Term Debt

On December 15, 2015, JEDCO issued \$2,420,000 of revenue bonds to fund the purchase of the administrative building and incubator facility from FORJ, a component unit of JEDCO. These funds were deposited into the JEDCO Debt Service Fund. The bonds are secured and payable from all revenues generated by JEDCO. The bonds bear interest at the rate of 4.15% per annum and mature on May 1, 2030. Interest payments are to be paid bi-annually on May 1st and November 1st each year.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 10. Long-Term Debt (Continued)

The following is a summary of the changes in long-term debt for the year ended December 31, 2018:

Type of Debt	2018	Additions	Reductions	Balance December 31, 2018	Due Within One Year
Revenue Bonds	\$ 2,122,000	\$ -	\$ (126,000)	\$ 1,996,000	\$ 132,000

Principal and interest payments due on long-term debt over the next five years and thereafter are as follows:

Year Ending December 31,	Principal	Interest
2019	\$ 132,000	\$ 80,095
2020	137,000	74,513
2021	143,000	68,703
2022	149,000	62,644
2023	155,000	56,336
2024-2028	876,000	177,701
2029-2031	404,000	16,933
Total	\$ 1,996,000	\$ 536,925

Note 11. Compensated Absences Payable

Changes in compensated absences payable for the year ended December 31, 2018, were as follows:

	Balance January 1, 2018	Additions	Payments and Adjustments	Balance December 31, 2018
Compensated Absences	\$ 72,308	\$ 81,381	\$ (82,735)	\$ 70,954

The entire balance of compensated absences payable is considered to be a long-term liability by JEDCO.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 12. Interfund Transactions

Interfund transactions consist of interfund receivables/payables and transfers. Interfund receivables/payables at December 31, 2018, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 75,762	\$ -
Jefferson Edge Fund	-	1,514
EDA Revolving Loan Fund	-	51,185
BRGL/LRCF Fund	-	10,064
ILTAP Fund	-	12,984
FORJ	-	15
Total All Funds	\$ 75,762	\$ 75,762

Interfund transfers occurring during the fiscal year ended December 31, 2018, are as follows:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ -	\$ 211,156
JEDCO Debt Service Fund	211,156	-
Total All Funds	\$ 211,156	\$ 211,156

Note 13. Pension Plan

JEDCO has elected to opt out of participation in the federal Social Security program. The 6.2% match that JEDCO would have contributed to the Social Security program is placed in a simplified employee pension (SEP) plan for each full-time employee. Eligible employees are required to establish SEP individual retirement accounts to which JEDCO's contributions are made. JEDCO's employees are subject only to Medicare portion of Social Security taxes. The amount contributed by JEDCO is 6.2% of the employee's total compensation. JEDCO's total contribution under this plan for 2018 was \$74,393 based on a covered payroll of \$1,199,891. JEDCO's total current-year payroll for all employees was \$1,263,295.

JEDCO also participates in a company/internal retirement plan in which all full time employees are eligible to participate. Under the terms of the plan, JEDCO contributes 6% of the employee's annual salary. Eligible employees are required to establish retirement accounts to which JEDCO's contributions are made. JEDCO's total contribution under this plan for 2018 was \$71,993 based on covered payroll of \$1,199,891.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 14. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs

Durr Heavy Construction

In 2008, the State of Louisiana authorized JEDCO to issue up to \$4.5 million in Variable Rate Taxable Revenue Bonds. The bonds were issued in 2009 in the amount of \$2,866,500 (Durr Heavy Construction Project, L.L.C. Project, Series 2009) for the purpose of financing the acquisition and construction of an office building on behalf of a local company located in Jefferson Parish. The facilities are to be leased by JEDCO to the company pursuant to a lease agreement between JEDCO and the company. JEDCO's obligations under the Series 2009 Bonds are limited. These special obligations are payable solely from the revenues and other amounts derived from the leasing of the facility by JEDCO to the company. The bonds do not constitute debt or pledge of faith and credit of JEDCO and, accordingly, have not been reported in the accompanying financial statements. No other assets are available for payment of the principal or interest on the bonds. The bonds shall be subject to optional redemption prior to maturity, in whole, or in part, and if in part then in inverse order of maturity on an interest payment date, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the redemption date, and without any redemption premium. The bonds are subject to mandatory redemption in full at the option of the bondholder on the tenth and fifteenth anniversary of the delivery date and ninety days after any date on which the interest rate on the bonds equals or exceeds 14% per annum. Under the agreement with JEDCO, the company has agreed to the payment of rent in lieu of ad valorem taxes (PILOT Rent) from the effective date of the agreement through and including the 2018 tax year in the amount of \$-0-, except in the event that certain employment target amounts are not met.

For the 2018 tax year, the company owed a Base PILOT rent payment to the Jefferson Parish Sheriff's Office, as tax collector of Jefferson Parish, totaling \$6,010, and the amount of ad valorem taxes that would have been recognized by Jefferson Parish on the assessed value for 2018 totaled \$33,870. Additionally, as the business resides in the City of Harahan, taxes were due. The company made a PILOT Rent payment to City of Harahan totaling \$1,988. Ad valorem taxes that would have been recognized by the City of Harahan for 2018 totaled \$11,208.

Kenner Discovery Health Sciences Academy

In 2018, JEDCO issued \$43,895,000 million in tax-exempt revenue bonds (Kenner Discovery Health Sciences Academy Project, Series 2018A) and \$915,000 in taxable revenue bonds (Kenner Discovery Health Sciences Academy Project, Series 2018B). The tax-exempt and taxable bonds (together, the Series 2018 Bonds), the proceeds of which JEDCO will loan to Friends of Discovery Health Sciences Foundation, Inc. (the Borrower), were issued for the purposes of (a) financing the acquisition, construction, improvement and equipping of the first phase of the Project (the School Facility); (b) funding deposits to a subaccount of the Debt Service Reserve Fund; (c) funding capitalized interest during construction; (d) refinancing of certain outstanding indebtedness of the Borrower and Discovery Health Sciences Foundation, Inc.; and (e) paying all or a portion of the costs of issuance of the Series 2018 Bonds. The School Facility is to be leased by JEDCO to the Borrower pursuant to a lease agreement between JEDCO and the Borrower.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 14. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (Continued)

Kenner Discovery Health Sciences Academy (Continued)

JEDCO's obligations under the Series 2018 Bonds are limited. These special obligations are payable solely from the revenues and other amounts derived from the leasing of the facility by JEDCO to the company. The bonds do not constitute debt or pledge of faith and credit of JEDCO and, accordingly, have not been reported in the accompanying financial statements. No other assets are available for payment of the principal or interest on the bonds.

The Series 2018A bonds shall be subject to optional redemption prior to maturity in whole or in part on any date commencing June 15, 2028, of the maturity selected by the Borrower, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The Series 2018B bonds are not subject to optional redemption.

Bella Ridge

On August 1, 2014, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with a private company, Cottonwood Creek Apartments, LLC, to issue taxable revenue bonds of up to \$70,000,000. The bonds are for the purpose of financing the acquisition, construction, and equipping of the Bella Ridge Project (the Project), a 528-unit apartment complex (separated into two phases), on behalf of a local company located in Jefferson Parish. As of December 31, 2018, no bonds have been issued for the Project.

During 2015, the company conveyed all of the land and improvements of Phase I and the land for Phase II to JEDCO. As a result of this conveyance, these assets are not subject to ad valorem taxes. However, the Lease Agreement providing for the payment of rent in lieu of ad valorem taxes (PILOT Rent) became effective upon the conveyance. Under the terms of the Lease Agreement, the annual PILOT Rent amount is equal to 50% of what the ad valorem taxes would be on the Project until the savings between these two amounts total \$1,200,000 or the actual cost of the infrastructure improvements, whichever is lesser. PILOT Rent payments are required to be paid to the Jefferson Parish Sheriff's Office (JPSO) as tax collector for Jefferson Parish.

During 2017, JEDCO learned that Bella Ridge South, LLC, rather than Cottonwood Creek Apartments, LLC, desired to finance, construct, and equip Phase II development. Therefore, JEDCO amended the original PILOT agreement with the original lessee and established a separate Lease Agreement with Bella Ridge South, LLC without changing the overall benefits or terms of the original lease.

Based on calculations performed by the Jefferson Parish Assessor's Office, the assessed value of the Project (Phases I and II) was \$3,387,780 for 2018, and the amount of ad valorem taxes that would have been recognized on this assessed value for 2018, totaled \$384,174. The amount of PILOT Rent paid by the companies to JPSO during 2018, totaled \$192,087.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 14. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (Continued)

Bella Ridge (Continued)

Through December 31, 2018, the total savings (the difference between the amount of ad valorem taxes that would have been incurred on the Project and the amount of PILOT Rent) amounted to \$572,535.

The companies are also required to pay an annual administrative rental fee of \$5,000 each for the duration of the Lease Agreements. The amount of administrative rental fee revenue recognized by JEDCO during 2018, totaled \$10,000.

Dyno Nobel

On December 1, 2014, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with a private company to issue taxable revenue bonds of up to \$850,000,000. The bonds are for the purpose of financing the acquisition, construction, and equipping of the Dyno Nobel Louisiana Ammonia, LLC Project (the Project), an ammonia manufacturing facility, on behalf of a local company located in Jefferson Parish. As of December 31, 2018, no bonds have been issued for the Project.

During 2016, construction of the Project was completed and the company conveyed all of the Project's assets (buildings, machinery, equipment, and personal property associated with the Project) to JEDCO. As a result of this conveyance, the Project's assets are not subject to ad valorem taxes. However, the Lease Agreement providing for the payment of rent in lieu of ad valorem taxes (PILOT Rent) became effective.

Unless extended, the Lease Agreement expires on December 31, 2035. For the effective term of the Lease Agreement and for the duration for which the Project's assets are owned by JEDCO, the Project shall be exempt from ad valorem taxes. In return, the company agrees to make annual PILOT Rent payments commencing on or before December 31, 2016 and continuing through December 31, 2035. PILOT Rent payments are required to be paid to JPSO as tax collector for Jefferson Parish.

The Lease Agreement provides that the minimum PILOT Rent payments as presented in the agreement are to be increased proportionally by an adjustment factor calculated based on the amount by which the Project's aggregate investment amount exceeds \$600,000,000. With the project fully completed and placed in service, in December of 2018 JEDCO and Dyno Nobel agreed to a final Aggregate Investment Amount of the project of \$809,605,410, which corresponds to an adjustment factor of 1.35. Therefore, the amount paid to JPSO for the 2018 tax year totaled \$1,080,000. This adjustment factor is to be applied to all remaining PILOT Rent payments, resulting in an annual PILOT Rent schedule in accordance with the table below. These final figures have been memorialized in a Memorandum of Completion, which was executed by both parties on January 31, 2019.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 14. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (Continued)

Dyno Nobel (Continued)

Future minimum PILOT Rent payments are as follows:

Year Ending December 31,	Yearly Amount
2019-2022	\$ 1,080,000
2023	1,147,500
2024-2027	1,485,000
2028-2035	1,620,000

The future minimum PILOT Rent payments for all years total \$24,367,500.

The Project's assets were assessed by the Jefferson Parish Assessor's Office for the 2018 tax year. The assessed value of the Project as of December 31, 2018, was \$112,235,188. The amount of ad valorem taxes that would have been recognized in 2018 in the absence of the Lease Agreement amounted to \$13,629,841.

The Lease Agreement also provides for Supplemental PILOT Rent for each year in which the Project's full-time payroll does not meet the minimum amounts established within the Lease Agreement. No amount of Supplemental PILOT Rent was required for 2018.

The company is also required to pay an annual administrative rental fee of \$113,600 for the duration of the Lease Agreement. The amount of administrative rental fee revenue recognized by JEDCO during 2018, totaled \$113,600.

OMC West JV, LLC

On December 1, 2018, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with OMC West JV, L.L.C. in an aggregate principal amount of up to \$42,100,000 in taxable or tax-exempt Revenue Bonds to finance all or a portion of a 130,000 square foot medical facility building located at 2614 Jefferson Highway. As of December 31, 2018, no bonds have been issued for the Project.

The purpose of the Lease Agreement is to provide for the reimbursement to the company of up to \$6,400,000 to offset the costs of certain public infrastructure improvements, including street, sidewalk, beautification and utility infrastructure improvements, which are to be completed by the company at or around its newly-constructed medical facility building at 2614 Jefferson Highway within 36 months of the effective date of the Lease Agreement (the Expenditure Period). To effectuate the reimbursement, in 2018 the company conveyed the medical facility building at 2614 Jefferson Highway to JEDCO. As a result of this conveyance, this asset is not subject to ad valorem taxes. The amount of closing fee revenue recognized by JEDCO in 2018 totaled \$20,195. As the building was placed in service after the closing of the Assessor's books, it would not have been placed on the 2018 tax roll. Therefore, no property taxes were abated for the year ended December 31, 2018.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 14. Conduit Debt (Not Included in the Financial Statements) and PILOT Programs (Continued)

OMC West JV, LLC (Continued)

The Lease Agreement stipulates an annual administrative rent of \$20,195 beginning February 1, 2020 through and including the first February after the Expenditure Period. The Lease Agreement also stipulates an annual Base PILOT Rent in lieu of taxes in the amount of \$1 to be made payable to JEDCO beginning December 31, 2018 and continuing until December 31, 2027. JEDCO did not recognize the \$1 Base PILOT Rent for the 2018 tax year by December 31, 2018.

Note 15. Changes in Assets and Liabilities of Agency Funds

The following summarizes the changes in the assets and liabilities of the agency funds during 2018:

	HUD Revolving Loan Fund			Balance December 31, 2018
	Balance January 1, 2018	Additions	Payments/ Write-Offs	
Assets				
Cash and Cash Equivalents	\$ 16,184	\$ 5,412	\$ (101)	\$ 21,495
Notes Receivable	5,256	-	(5,256)	-
Total Assets	\$ 21,440	\$ 5,412	\$ (5,357)	\$ 21,495
Liabilities				
Due to Jefferson Parish Department of Community Development Drawdowns	\$ 21,440	\$ -	\$ 55	\$ 21,495
Total Liabilities	\$ 21,440	\$ -	\$ 55	\$ 21,495

The HUD Revolving Loan Fund accounts for loans made by the Department of Housing and Urban Development Community Development Block Grant Loan Guarantee Program to borrowers in the community for economic development. The funds are held for the Jefferson Parish Department of Community Development.

Note 16. Intentions to Give

JEDCO has an agreement outstanding with a donor that has loaned pieces of framed artwork to JEDCO. This artwork is on a long-term loan to JEDCO with the intent to donate the artwork to JEDCO in future years. No amount has been recorded in the financial statements relating to this artwork as the agreement represents the donor's intent and is not legally enforceable.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

Schedule 1

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental				
Share of Jefferson Parish				
Occupational Licenses	\$ 2,052,320	\$ 2,052,320	\$ 2,052,320	\$ -
CEA Revenue	51,000	57,220	25,000	(32,220)
Charges for Services				
Loan Processing and Servicing	456,324	508,210	555,976	47,766
Business Innovation Center Revenue	34,300	16,800	16,782	(18)
Conference Center	21,000	15,000	16,169	1,169
Interest and Investment Earnings	9,000	47,000	59,798	12,798
Miscellaneous	47,000	44,200	42,139	(2,061)
Donations	-	-	20,500	20,500
Total Revenues	2,670,944	2,740,750	2,788,684	47,934
Expenditures				
Current				
Administrative	1,554,160	1,607,290	1,283,625	323,665
Economic Development Services	288,000	306,180	279,601	26,579
Marketing	215,600	243,812	232,226	11,586
Financing	309,980	278,900	274,280	4,620
Business Innovation Center	73,600	63,950	61,581	2,369
Tech Park	99,250	74,770	71,576	3,194
Strategic Initiatives	96,150	126,506	92,939	33,567
Conference Center	59,000	29,800	27,981	1,819
Kenner Program	-	-	-	-
Capital Outlay	-	-	69,508	(69,508)
Total Expenditures	2,695,740	2,731,208	2,393,317	337,891
Excess of Revenues Over Expenditures	(24,796)	9,542	395,367	385,825
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	(211,156)	(211,156)
Total Other Financing Sources (Uses)	-	-	(211,156)	(211,156)
Net Change in Fund Balance	(24,796)	9,542	184,211	174,669
Fund Balance, Beginning of Year	2,897,843	2,897,843	2,897,843	-
Fund Balance, End of Year	\$ 2,873,047	\$ 2,907,385	\$ 3,082,054	\$ 174,669

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 Jefferson Edge Fund
 For the Year Ended December 31, 2018

Schedule 2

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest and Investment Earnings	\$ 1,000	\$ 13,500	\$ 16,470	\$ 2,970
Donations	225,000	222,500	249,250	26,750
Total Revenues	226,000	236,000	265,720	29,720
Expenditures				
Current				
Marketing	30,000	20,000	14,340	5,660
Technology Development	75,000	280,000	273,313	6,687
Administrative	35,500	39,500	35,659	3,841
Total Expenditures	140,500	339,500	323,312	16,188
Excess of Revenues Over Expenditures	85,500	(103,500)	(57,592)	45,908
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(20,000)	-	-	-
Total Other Financing Sources (Uses)	(20,000)	-	-	-
Net Change in Fund Balance	65,500	(103,500)	(57,592)	45,908
Fund Balance, Beginning of Year	1,042,965	1,042,965	1,042,965	-
Fund Balance, End of Year	\$ 1,108,465	\$ 939,465	\$ 985,373	\$ 45,908

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 EDA Revolving Loan Fund
 For the Year Ended December 31, 2018

Schedule 3

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 31,000	\$ 52,600	\$ 54,738	\$ 2,138
Total Revenues	31,000	52,600	54,738	2,138
Expenditures				
Current				
Administrative	112,700	47,000	92,960	(45,960)
Total Expenditures	112,700	47,000	92,960	(45,960)
Excess (Deficiency) of Revenues Over Expenditures	(81,700)	5,600	(38,222)	(43,822)
Net Change in Fund Balance	(81,700)	5,600	(38,222)	(43,822)
Fund Balance, Beginning of Year	1,344,519	1,344,519	1,344,519	-
Fund Balance, End of Year	\$ 1,262,819	\$ 1,350,119	\$ 1,306,297	\$ (43,822)

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
Business Recovery Grant and Loan/
Louisiana Recovery Capital Fund
For the Year Ended December 31, 2018

Schedule 4

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 210,500	\$ 197,800	\$ 197,941	\$ 141
Miscellaneous	-	-	1,000	1,000
Total Revenues	210,500	197,800	198,941	1,141
Expenditures				
Current				
Administrative	371,871	110,000	109,941	59
Total Expenditures	371,871	110,000	109,941	59
Excess (Deficiency) of Revenues Over Expenditures	(161,371)	87,800	89,000	1,200
Net Change in Fund Balance	(161,371)	87,800	89,000	1,200
Fund Balance, Beginning of Year	6,208,686	6,208,686	6,208,686	-
Fund Balance, End of Year	\$ 6,047,315	\$ 6,296,486	\$ 6,297,686	\$ 1,200

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
ILTAP Fund
For the Year Ended December 31, 2018

Schedule 5

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 55,200	\$ 60,950	\$ 55,758	\$ (5,192)
Total Revenues	55,200	60,950	55,758	(5,192)
Expenditures				
Current				
Administrative	29,592	35,000	35,291	(291)
Total Expenditures	29,592	35,000	35,291	(291)
Excess of Revenues Over Expenditures	25,608	25,950	20,467	(5,483)
Net Change in Fund Balance	25,608	25,950	20,467	(5,483)
Fund Balance, Beginning of Year	2,394,092	2,394,092	2,394,092	-
Fund Balance, End of Year	\$ 2,419,700	\$ 2,420,042	\$ 2,414,559	\$ (5,483)

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Financial Position
JEDCO Development Corporation
December 31, 2018

Schedule 6

Assets	
Cash and Cash Equivalents	<u>\$ 62,183</u>
Total Assets	<u><u>\$ 62,183</u></u>
Liabilities and Net Assets	
Liabilities	
Escrow Deposits	\$ 20,688
Due to Other Governments	<u>41,494</u>
Total Liabilities	62,182
Net Assets	
Unrestricted	<u>1</u>
Total Liabilities and Net Assets	<u><u>\$ 62,183</u></u>

See independent's auditor's report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Activities and Change in Net Assets
JEDCO Development Corporation
For the Year Ended December 31, 2018

Schedule 7

Revenues	
Fee Payments	\$ 81,769
Analysis Fee Income	<u>638</u>
Total Revenues	<u>82,407</u>
Expenses	
Administrative	<u>82,407</u>
Total Expenses	<u>82,407</u>
Change in Net Assets	-
Net Assets, Beginning of Year	<u>1</u>
Net Assets, End of Year	<u><u>\$ 1</u></u>

See independent's auditor's report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Schedule 8

Agency Head
Jerry Bologna, President & CEO

Purpose	Amount
Salary	\$ 196,650
Benefits - Insurance	\$ 33,573
Benefits - Retirement	\$ 11,800
Other Benefits	\$ 25,872
Car Allowance	\$ 9,000
Vehicle Provided by Government	\$ -
Per Diem	\$ -
Reimbursements	\$ -
Travel	\$ 140
Registration Fees	\$ 830
Conference Travel	\$ 10,892
Continuing Professional Education Fees	\$ -
Housing	\$ -
Unvouchered Expenses	\$ -
Special Meals	\$ 180
Memberships and Dues	\$ 1,109
Site Selectors and Business Development	\$ 592

See independent's auditor's report.

SINGLE AUDIT SECTION

**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**

Independent Auditor's Report

To the Board of Commissioners
Jefferson Parish Economic Development Commission
Avondale, 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, the aggregate discretely presented component units, each major fund, and the fiduciary fund of the Jefferson Parish Economic Development Commission (JEDCO), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise JEDCO's basic financial statements, and have issued our report thereon dated May 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEDCO's internal control over financial reporting (internal control) to determine the 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 JEDCO's internal control. Accordingly, we do not express an opinion on the effectiveness of JEDCO's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JEDCO'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Metairie, LA
May 7, 2019

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Commissioners
Jefferson Parish Economic Development Commission
Avondale, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Jefferson Parish Economic Development Commission's (JEDCO), a component unit of Jefferson Parish, Louisiana, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of JEDCO's major federal programs for the year ended December 31, 2018. JEDCO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of JEDCO's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about JEDCO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of JEDCO's compliance.

Opinion on Each Major Federal Program

In our opinion, JEDCO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of JEDCO is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered JEDCO's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of JEDCO's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Metairie, LA
May 7, 2019

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Loans Disbursed	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Passed through the Parish of Jefferson:				
Community Development Block Grant Loans	14.228	72-0850276	\$ 2,047,943	\$ 2,193,175
U.S. Department of Commerce				
Direct Program:				
Special Economic Development and Domestic Assistance Program Long-Term Economic Deterioration (LTED) Revolving Loans	11.307	08-39-02686	180,827	273,787
Total			<u>\$ 2,228,770</u>	<u>\$ 2,466,962</u>

See independent auditor's report and notes to the schedule of expenditures of federal awards.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when JEDCO has met the qualifications for the respective grants.

Note 2. Description of Grants

Department of Housing and Urban Development (HUD) - Community Development Block Grant Loan Fund

HUD through Jefferson Parish provides JEDCO with funds for loan pools which finance business development activities consistent with local economic development strategies. Loan repayments, interest, and other related income create a revolving source of capital to stimulate economic activity and provide financing to businesses when private credit is unavailable.

Community Development Block Grants Passed through the Parish of Jefferson

Community Development Block Grants (CDBG) Passed through the Parish of Jefferson consist of two components: 1) Business Recovery Grant and Loan Program (BRGL)/Louisiana Recovery Capital Fund (LRCF), and 2) Innovation Loan and Technical Assistance Program (ILTAP). Descriptions of these two components follow:

- **Business Recovery Grant and Loan (BRGL)/Louisiana Recovery Capital Fund (LRCF)**

The State of Louisiana Office of Economic Development provides U.S. Department of Housing and Urban Development CDBG funds to JEDCO for grants and loans issued to businesses located in the parishes impacted by Hurricane Katrina. The BRGL program was transferred into the LRCF program in 2009. The Louisiana Recovery Capital Fund accounts for the reimbursement for the Business Recovery Grant and Loan Program Phase II funds through the State of Louisiana Office of Economic Development.

- **Innovation Loan and Technical Assistance Program (ILTAP)**

The State of Louisiana Office of Community Development provides U.S. Department of Housing and Urban Development CDBG funds to JEDCO for grants and loans issued to businesses to provide low cost loans and/or technical assistance to small businesses impacted by Hurricane Katrina and Rita.

Special Economic Development and Domestic Assistance Programs Long-Term Economic Deterioration (LTED) Revolving Loan Fund

The Economic Development Administration (EDA) provides JEDCO with funds for loan pools which finance business development activities consistent with local economic development strategies. Loan repayments, interest, and other related income create a revolving source of capital to stimulate economic activity and provide financing to businesses when private credit is unavailable.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2018

Note 3. Outstanding Loans

The value of loans outstanding, net of allowance, is as follows at December 31, 2018:

BRGL/LRCF Loan Fund	\$ 5,586,501
ILTAP Loan Fund	2,064,021
EDA Revolving Loan	<u>1,161,560</u>
Total	<u><u>\$ 8,812,082</u></u>

Note 4. Indirect Cost Rate

JEDCO has elected not to use the 10% de minimis indirect cost rate as provided for in section 200.414 of the Uniform Guidance.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|---|
| 4. Internal control over major programs: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major programs? | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No |
| 7. Identification of major programs: | |
| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
| 14.228 | Community Development Block Grant Loans |
| 8. Dollar threshold used to distinguish between type A and type B programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

Part II - Financial Statement Findings

None.

Part III - Findings and Questioned Costs for Federal Awards

None.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Prior Audit Findings
For the Year Ended December 31, 2018

Part II - Financial Statement Findings

None.

Part III - Findings and Questioned Costs for Federal Awards

None.

**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

Jefferson Parish, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2018 - December 31, 2018



AGREED-UPON PROCEDURES REPORT
Jefferson Parish Economic Development Commission

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2018 - December 31, 2018

To the Board of Commissioners of
Jefferson Parish Economic Development Commission
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Jefferson Parish Economic Development Commission (JEDCO) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. JEDCO's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

Results: We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We selected the only location that processes payments.

2. For each location selected under #1 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) 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.
- d) 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.

Results: No exceptions were identified as a result of these procedures.

3. For each location selected under #1 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 five disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #2, as applicable.

Results: No exceptions were identified as a result of these procedures.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results 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.



A Professional Accounting Corporation

Metairie, LA
May 7, 2019