

**MANAGEMENT'S DISCUSSION AND ANALYSIS AND
BASIC FINANCIAL STATEMENTS**

JEFFERSON FACILITIES, INC.

Year ended June 30, 2023

JEFFERSON FACILITIES, INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS AND
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Year ended June 30, 2023

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VINCENT R. PROTTI, JR., LLC
Certified Public Accountant

Member of the Society of Louisiana CPA's

Independent Auditor's Report

Jefferson Facilities, Inc.
230 Huey P. Long Avenue
Gretna, LA 70053

Report on the Financial Statements

I have audited the accompanying financial statements of Jefferson Facilities, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023 and the related statement of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

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 controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, including the assessment of the risk 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used

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and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Facilities, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

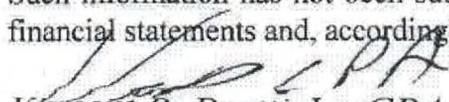
My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Board Compensation on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other record used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In my opinion, the information is fairly stated in all material respects relation to the financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Governmental Auditing Standards*, I have also issued my report dated November 20, 2023, on my consideration of Jefferson Facilities, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Jefferson Facilities, Inc.'s internal control over financial reporting and compliance.

Disclaimer on Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Management and Discussion section, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I do not express an opinion or provide any assure on it.


Vincent R. Protti Jr., CPA

November 20, 2023

JEFFERSON FACILITIES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

The Management's Discussion and Analysis (MD&A) of Jefferson Facilities, Inc.'s (JFI) financial performance provides an overview and objective narrative analysis of JFI's financial activities for the year ended June 30, 2023. Please read it in conjunction with JFI's financial statements.

The MD&A is a required element of the Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in MD&A.

Financial Highlights

- The liability of JFI exceeded its assets by \$4.046 million for fiscal year ending 2023 compared to \$4.412 million in the prior year. This is due to the structure of JFI. JFI and JRI were created by the governing authority of Jefferson Parish. To date JFI has undertaken two projects, the first is the construction and management of a parking garage for Jefferson Parish, and the second is leased land to JRI upon which a parking garage was constructed. JFI entered into a sublease with JRI for this land and agreed to design, build, maintain, and operate the parking garage. As such, JRI owns the parking garage. JFI is responsible for the repayment of the bonds issued for the construction of the garage, and Jefferson Parish is the guarantor of the bond issue. Ownership for the parking garage will revert to the Parish upon final payment of the debt obligation.
- Jefferson Parish paid 100% of the debt obligation due in reference to the garage in 2023 and 2022 on behalf of JFI.
- Parking garage operating revenues (or deficit) from the parking garage activities were \$(196,494) and \$(206,447) for 2023 and 2022, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to JFI's basic financial statements.

JFI's total assets are \$100,871 and total liabilities are \$4,146,928 which result in unrestricted net deficit of \$4,046,057.

JEFFERSON FACILITIES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

JFI's total operating revenues for the year ended 2023 are \$394,040 of which 99% is derived from parking garage fees compared to \$369,079, of which 99% was also derived from parking garage fees in 2022. The major operating expenses for the year ended 2023 include payroll of \$100,191 and interest expenses in the amount of \$162,827 as compared to payroll of \$87,643 and interest expenses of \$173,626, for the year ended 2022.

Budgetary Highlights

The JFI Board approves a budget prior to the start of the fiscal year. Any amendments to this budget during the fiscal year are voted on by the Board. There were no budget amendments made during fiscal year 2023.

Long-Term Debt

JFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) to finance \$9,315,000 for the design and construction of parking facilities at the Gretna Courthouse Complex, Gretna, Louisiana. This financing involved LCDA issuing a 30-year revenue bonds at a yearly fixed rate of 4.55%. These bonds were refinanced on November 15, 2012. At that time, JFI entered into a new long-term loan agreement with the Louisiana Local Government Environmental Facilities and Louisiana Community Development Authority (LCDA) to finance \$7,615,000 for the design and construction of parking facilities at the Gretna Courthouse Complex, Gretna, Louisiana. This financing involved LCDA issuing 18-year revenue bonds at a variable interest rate between 1.000% and 5.000%. The debt service schedule is as follows:

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL DEBT SERVICE</u> |
|-------------|---------------------|-------------------|---------------------------|
| 2024 | 405,000 | 140,050 | 545,050 |
| 2025-2029 | 2,310,000 | 424,463 | 2,734,463 |
| 2030-2031 | <u>1,030,000</u> | <u>54,076</u> | <u>1,084,076</u> |
| | <u>\$ 3,745,000</u> | <u>\$ 618,589</u> | <u>\$ 4,363,589</u> |

Long-Term Projects

On May 26, 2022, JFI entered into a 50-year Agreement with Jefferson Parish for the use, management, and improvement of 519 Huey P. Long Avenue: an historic building in Gretna, Louisiana. JFI is granted the exclusive use of the building rent-free. At the expiration of the term, Jefferson Parish will be returned a property that has been rehabilitated and modernized to better accommodate the needs of area business. Since entering into this Agreement, JFI has proposed by letter of intent, a 40-year lease of portions of that property to Formwork Development, LLC.

JEFFERSON FACILITIES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Long-Term Projects- Continued

JFI has also commenced discussions with Port Orleans Brewing Company in attempts to secure a 40-year lease in downtown Gretna. Port Orleans is seeking 10,000 square feet in which to operate a brewery and restaurant. As part of the rental agreement, Port Orleans will undertake facilities improvements such as replacing the HVAC, electrical, and roofing and updating the weatherproofing and plumbing of the structure.

Economic Factors and New Year's Budget

The parking garage provides a desperately needed service for the Parish administrative functions as well as the entire judicial function including the District Attorney, the court system, and the correctional facilities. Demand for parking spaces is fairly consistent during normal business hours.

The operator and JFI management are charged with finding ways to increase revenues during off-peak times as well as aggressively market and sell contract spaces in the garage.

Rising operational costs such as insurance, repairs and maintenance are areas for concern. The intent of the financial structure is that JFI would generate enough operational funds to cover its operational expenses. The operating income or (loss) was \$(196,494) and \$(206,447) for the years ended 2023 and 2022, respectively. However, when the operations ultimately end in a deficit position, the Parish will seek approval from the Jefferson Parish Council to appropriate enough funds from its General Fund to cover any operational shortfall. The Parish has provided for an appropriation in its 2023 budget to cover the total debt service obligation on the bonds

Garage Addition

Jefferson Facilities, Inc. and Jefferson Parish along with a Trustee entered into an Amended Cooperative Endeavor Agreement for an addition to the Garage and to allow Jefferson Parish to build an Emergency Management Center on the Parking Lot fronting Fourth Street. The end result is that JFI has lost those parking spots on the Fourth Street lots and those spots next to the Garage but will have a net gain in the available spots due to the addition of the Parking Garage. The Parking Garage addition is being built with revenues from Jefferson Parish at no cost or obligation to JFI

The Jefferson Parish Council decided to add approximately 300 parking spaces to the existing garage which was completed in 2010. The Parking garage currently has 931 parking spaces available.

Refinancing of LCDA Revenue Bonds

On November 15, 2012, JFI refinanced the LCDA Revenue Bonds for \$7,615,000. In the process, the prior Revenue Bonds were completely paid off. The interest rate changes per annum but shall vary between 1.000% and 5.000%.

JEFFERSON FACILITIES, INC.
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 2023

| ASSETS | |
|--|---------------------|
| Current Assets | |
| Cash and Cash Equivalent | \$ 52,190 |
| Accounts Receivable | 1,541 |
| Prepaid Expenses | <u>9,587</u> |
| Total Current Assets | 63,318 |
| Fixed Assets | |
| Construction In Progress | 37,553 |
| Parking Control Equipment | 368,858 |
| Accumulated Depreciation | <u>(368,858)</u> |
| Total Fixed Assets | 37,553 |
| | |
| TOTAL ASSETS | \$ <u>100,871</u> |
| | |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 27,339 |
| Bond Interest Payable | 26,550 |
| Loan Payable - Current | 385,000 |
| Note Payable – SP Plus | 532 |
| Due to Jefferson Redevelopment, Inc. | 251 |
| Due to Jefferson Parish | <u>251</u> |
| Total Current Liabilities | \$ <u>439,923</u> |
| Non-current Liabilities | |
| Unamortized Premium on Refund | 28,874 |
| Loan Payable - Noncurrent | <u>3,678,131</u> |
| Total Non-current Liabilities | <u>3,707,005</u> |
| | |
| TOTAL LIABILITIES | \$ <u>4,146,928</u> |
| | |
| NET ASSETS | |
| Without Donor Restrictions (Deficit) | <u>(4,046,057)</u> |
| | |
| Total Net Assets (Excess of Liabilities) | \$ <u>100,871</u> |

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

JEFFERSON FACILITIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2023

Without Donor Restrictions

Revenues

| | |
|------------------------|--------------|
| Parking Garage Revenue | \$ 393,010 |
| Other Revenue | <u>1,030</u> |
| Total Revenue | 394,040 |

Expenses

Program Activities

| | |
|-----------------------------|---------------|
| Credit Card Service Charges | 31,111 |
| Insurance | 77,363 |
| Office Expenses | 4,284 |
| Postage & Shipping | 1,241 |
| Payroll | 100,191 |
| Rent | 24 |
| Repairs and Maintenance | 1,065 |
| Sales Tax | <u>34,249</u> |
| Total Program Activities | 249,528 |

Management & General

| | |
|-----------------------------|---------------|
| Auto Mileage | 369 |
| Bank Service Charges | 2,918 |
| Base Management Fees | 21,600 |
| Board Compensation | 4,800 |
| Bond Trustee Fees | 3,000 |
| Depreciation & Amortization | 41,520 |
| Interest | 162,827 |
| Office Expenses | 13,494 |
| Professional Fees | 73,094 |
| Retirement | 2,384 |
| Sponsorship | <u>15,000</u> |
| Total Management & General | 341,006 |

| | |
|----------------|-------------------|
| Total Expenses | \$ <u>590,534</u> |
|----------------|-------------------|

| | |
|----------------|------------------|
| Operating loss | <u>(196,494)</u> |
|----------------|------------------|

Capital transfers

| | |
|-----------------------|-----------------|
| Capital Transfers In | 577,812 |
| Capital Transfers Out | <u>(14,763)</u> |

| | |
|-------------------------|---------|
| Total Capital Transfers | 563,049 |
|-------------------------|---------|

Changes in Net Assets 366,555

Net Assets, without donor restrictions – beginning of year (4,412,612)

Net Assets, without donor restrictions – end of year \$ (4,046,057)

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

JEFFERSON FACILITIES, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|---------------|
| Cash Received from Parking Garage Operations | \$ 98,846 |
| Cash Received from Jefferson Parish | 34,000 |
| Cash Payments for Professional Services | (73,094) |
| Cash Payments for Insurance | (16,673) |
| Cash Payments for Board Compensation | (4,800) |
| Cash Payments for Sponsor | (7,500) |
| Cash Payments for Other | (2,491) |
| Net cash provided (used) by operating activities | <u>28,288</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---------------------------------------|----------|
| Payments for Construction | |
| Net Cash Used by Investing Activities | (37,553) |

NET increase (decrease) in cash and cash equivalents (9,265)

CASH AND CASH EQUIVALENTS, beginning of year 61,455

CASH AND CASH EQUIVALENTS, end of year \$ 52,190

SUPPLEMENTAL DISCLOSURES FOR NON-CASH ACTIVITY

| | |
|-------------------|------------|
| Interest Paid | \$ 162,827 |
| Income Taxes paid | \$ - 0 - |

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

NOTES TO THE FINANCIAL STATEMENTS

JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNATURE ACCOUNTING POLICIES

Jefferson Facilities, Inc. (JFI) was formed on January 11, 2001 as a private non-profit corporation pursuant to the Louisiana Non-Profit Corporation Law (Chapter 2 of Title 12 of the Louisiana Revised Statutes of 1950, as amended). It was established as an economic development corporation, and, particularly the provisions of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, with the permission of the Parish Council of the Parish of Jefferson, Louisiana, by resolution dated October 18, 2000. The purpose of the corporation is to actively seek interaction through federal, state or local government initiatives or through its own volition or create programs whereby it may best interact and cooperate with other economic development corporations to carry out the purposes for which it is created. The corporation is organized on a non-stock basis and is managed by a three-person Board of Directors who receive a per diem for each meeting up to 52 weeks per annum, which is exclusively attributable to sources other than garage revenues, and who may be reimbursed for actual expenses incurred in the performance of JFI business.

1. **FINANCIAL REPORTING ENTITY**

The entity is a component unit of Jefferson Parish, Louisiana. A component unit is defined as a legally separate organization for which the elected officials of the primary government (Jefferson Parish, Louisiana) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability.

2. **BASIS OF ACCOUNTING**

Basis of accounting relates to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The activities of JFI are accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized at the time the liability is incurred. The revenues susceptible to accrual are the net due to/ from SP Plus Corporation (garage management company).

3. **ACTIVITIES**

The entity engages in activities for the purpose of alleviating conditions of economic distress affecting jurisdictions in which the entity is operative. The affected jurisdiction of the entity is that portion of the Parish of Jefferson, Louisiana, west of the Mississippi River and the geographic location where local economic development activity should be directed to achieve maximum effort, to be designated as an Economic Development Area by the entity and the Parish of Jefferson, shall be coexistent with the boundaries of the Jurisdiction.

JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less.

5. **NET ASSETS**

Net Assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Parish through restrictions imposed by contracts. There were no restrictions on any net assets presented in the financial statements

6. **TRANSFERS IN (OUT)**

The agreements between JFI and Jefferson Redevelopment, Inc. and between JFI and Jefferson Parish relative to the leased facilities (Note C) provide for the flow of assets without an equivalent flow of assets in return and without a requirement for repayment. Accordingly, the payments relative to these leases are reported as transfers in (out) in the Statement of Activities and Changes in Net Assets. Administrative and operating expenses of Jefferson Redevelopment, Inc. paid in connection with these leases are also treated and reported as transfers (out) in the Statement of Activities and Changes in Net Assets.

7. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - DEPOSITS AND CONCENTRATION OF CREDIT RISK

At June 30, 2023, the carrying amount of JFI's unrestricted deposits was \$52,190 which equaled the bank balances.

NOTE C - LEASED FACILITIES

The parking operations of JFI are conducted in leased facilities which are subject to several agreements described below.

**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE C - LEASED FACILITIES (Continued)

1. COOPERATIVE ENDEAVOR AGREEMENT

JFI entered into a Cooperative Endeavor Agreement with the Parish of Jefferson, Louisiana, and Jefferson Redevelopment, Inc., dated August 1, 2001, which sets forth the representations and obligations that the parties agreed upon to facilitate the development, design, finance, construction, and operation of a parking garage. The details of the agreement are outlined below. This agreement was first amended on May 16, 2007, which amendment altered the original Cooperative Endeavor Agreement between these parties, described above, in that it provided for the construction of additional facilities on the leased premises. This agreement was next amended on November 1, 2012, which altered the original Cooperative Endeavor Agreement and amended Cooperative Endeavor Agreement, both described above, in that it provided for the refinance of the Series 2001 Bond and the mortgage securing same.

2. SUBLEASE AGREEMENT

The Parish of Jefferson has leased certain tracts of land situated in Jefferson Parish, Louisiana, upon which the parking garage was constructed to Jefferson Redevelopment, Inc., a public benefit non-profit organization. This lease, entered into on August 1, 2001, for \$1.00 per month, was modified by an amendment on November 1, 2012 which provided for the refinancing of the Series 2001 bond.

JFI entered into a sublease agreement with Jefferson Redevelopment, Inc. on August 1, 2001, for the land on which the parking garage is built. JFI has the right to use and enjoy the premises for the construction and operation of the parking garage. In consideration of this sublease, JFI agrees, at its own expense, to design, build, maintain, and operate a parking garage and agrees to pay rental of \$1.00 per month. As additional rent, JFI agrees to pay all amounts owed by Jefferson Redevelopment, Inc. to the Parish under the ground lease \$1.00 per month and further agrees to pay all administrative and operating expenses of JRI. The garage and improvements are owned by JRI. The sublease was amended on November 1, 2012 to provide for the refinancing of the Series 2001 bonds and to provide not less than 700 parking spaces for use by Jefferson Parish personnel and employees.

JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE C - LEASED FACILITIES (Continued)

JFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) on November 1, 2012. In conjunction with this new loan agreement, which was a refinancing of JFI's debt obligations, the prior-issued Series 2001 bonds of \$9,315,000 were paid off. This payoff cancelled the prior loan agreement. Under the agreement, the Authority issued \$7,615,000 of revenue bonds to finance the garage construction and loaned the proceeds to JFI. JFI is required to make the debt service payments on the bonds directly to the trustee. The lease ends at midnight on August 1, 2031, or the date on which the bond has been paid in full, whichever is later. The total amount of minimum rentals to be paid under the non-cancellable sublease as of June 30, 2023 is (including ground rent payable to the Parish).

| <u>Future Minimum Lease Payments:</u> | |
|---------------------------------------|---------------|
| 2024 - 2028 | \$ 120 |
| 2029 - 2031 | <u>56</u> |
| Total | <u>\$ 176</u> |

The parking garage constructed is owned by Jefferson Redevelopment, Inc. while the bond is outstanding. Upon payment in full of the bond, Jefferson Redevelopment, Inc. shall transfer ownership of the facilities to the Parish.

3. **FACILITIES LEASE AGREEMENT**

JRI entered into an agreement with Parish of Jefferson, State of Louisiana, to lease to the Parish 200 parking spaces as selected by the Parish on August 1, 2001. In May of 2007, an amendment to this agreement provided for additional facilities consisting of an expansion of the parking garage to a total of 931 parking spaces and the use of land for Jefferson Parish to construct an emergency management building. In consideration for the use of the parking spaces, the Parish has contracted with JFI to provide funds to the trustee, which when combined with rental revenues available from the operation of the parking garage, will be sufficient to pay principal and interest on the bond. The lease payments are due prior to each interest payment date for the bond issued to construct the parking garage. The lease renews automatically each year with the appropriation by the Jefferson Parish Council of amounts sufficient to pay the lease payments.

**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE C - LEASED FACILITIES (Continued)

The obligation of the Parish to make rental payments and to pay any additional payments payable under this facilities lease constitutes a current obligation payable exclusively from legally appropriated funds and shall not be construed to be indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement. The Parish has not pledged its full faith and credit or its taxing power to make any rental payment or any additional payments under this facilities lease. The Parish has the right to be reimbursed on a first priority basis from any excess funds generated by the operations of the parking garage.

The facilities lease agreement was amended on November 1, 2012 to provide for the refinancing of the Series 2001 bond.

NOTE D - CAPITAL ASSETS

A summary of changes in capital assets and depreciation for the year ended June 30, 2023 are as follows:

| | <u>Parking Control Equipment</u> |
|---------------------------------|--|
| <u>Capital Assets</u> | |
| Balance July 1, 2022 | \$ 368,858 |
| Additions | <u>-0-</u> |
| Balance June 30, 2023 | <u>\$ 368,858</u> |
| <u>Accumulated Depreciation</u> | |
| Balance July 1, 2022 | \$ 331,990 |
| Depreciation Expense | <u>36,868</u> |
| Balance June 30, 2023 | <u>\$ 368,858</u> |

**JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE E - LONG-TERM DEBT

As discussed in Note C, on November 12, 2012, JFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain refinancing of \$7,615,000 to refinance prior-issued bond for the design and construction of the parking facilities at the Gretna Courthouse Complex, Gretna, Louisiana. Financing of the project is through the issuance of Revenue Bond (Jefferson Facilities, Inc. - Jefferson Parking Garage Project), Series 2012. The bond has yearly fixed rates of interest at an average yield of 4.55% and are due in varying installments through September 1, 2031. Proceeds from the bond issuance are used to pay the costs of the project; fund a deposit to the reserve fund, if any; to pay capitalized interest on the bond; and to pay costs of issuance of the bond. Annual debt service for future years ending June 30 is shown below.

Scheduled Annual Debt Service:

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL DEBT SERVICE</u> |
|-------------|---------------------|-------------------|---------------------------|
| 2024 | 405,000 | 140,050 | 545,050 |
| 2025-2029 | 2,310,000 | 424,463 | 2,734,463 |
| 2030-2031 | <u>1,030,000</u> | <u>54,076</u> | <u>1,084,076</u> |
| | <u>\$ 3,745,000</u> | <u>\$ 618,589</u> | <u>\$ 4,363,589</u> |

LOAN AND ASSIGNMENT AGREEMENT

A Loan and Assignment Agreement dated August 1, 2001 cancelled by and replaced with an agreement dated November 1, 2012, between the Louisiana Local Government Environmental Facilities and Community Development Authority and Jefferson Facilities, Inc. was executed for the benefit of the Trustee for the owners from time to time of the bond whereby JFI consented and agreed to the assignment of its rights, title, and interest in the Facilities Lease Agreement (Note C) and any leases, subleases, and use agreements or other similar agreements relating to the Parking

Garage, all rents revenues, issues, receipts, and profits derived from the use, operation or occupancy of the Parking Garage, all proceeds of insurance received as a result of any damage to or destruction of the Parking Garage, all amounts received or receivable by the entity as compensation for the transfer of the Parking Garage but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Parking Garage.

JEFFERSON FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE F - LONG-TERM DEBT (Continued)

MORTGAGE

In an act of mortgage dated August 16, 2001, and amended on November 1, 2012, JFI mortgaged, assigned, affected, pledged, and hypothecated in favor of the Bank of New York, as Trustee under the Indenture, its leasehold interest in and to the immovable property under the Sublease Agreement (Note 3), in order to secure the full and punctual payment and performance of the bond.

CAPITALIZED INTEREST

Interest cost incurred to get a capital asset ready for its intended use is capitalized. There was no capitalized interest during the current period.

NOTE G - GARAGE MANAGEMENT

The Parking Garage became operational in August of 2002. JFI is currently entered into a garage management contract with SP Plus Corporation. SP Plus Corporation provides all personnel and maintains controls over cash receipts, accounting procedures, and reporting systems of the garage. JFI reimburses the garage management for allowable operating costs and provides a monthly base management fee. The contract term is from August 1, 2016 through August 31, 2021.

NOTE H- ECONOMIC DEPENDENCY

JFI is dependent on the Jefferson Parish Council to renew annually the appropriation of amounts sufficient to pay the bond payments should the entity's profits not be sufficient to meet the bond requirements.

**JEFFERSON FACILITIES, INC.
SUPPLEMENTARY INFORMATION-COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2023**

| | <u>Compensation</u> |
|----------------------|---------------------|
| BOARD MEMBERS | |
| James Juneau | \$ 3,600.00 |
| Ross Liner | 1,200.00 |

Jefferson Facilities, Incorporated doesn't have any employees, officers, or directors and no other reporting requirements under Act 706.

NOTE I – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 20, 2023 date which the financial statements were available to be issued.

VINCENT R. PROTTI, JR., LLC
Certified Public Accountant

Member the Society of Louisiana CPA's

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

Board Members of
Jefferson Facilities, Inc.

I 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson Facilities, Incorporated as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued my report thereon dated November 20, 2023.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Jefferson Facilities, Incorporated internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the effectiveness of Jefferson Facilities, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Jefferson Facilities, Inc.'s internal control over financial reporting.

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 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.

My consideration of internal control over financial reporting 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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527 Huey P. Long Avenue
Gretna, LA 70053

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'V. Protti Jr. CPA', written in a cursive style.

Vincent R. Protti Jr., CPA

November 20, 2023

JEFFERSON FACILITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

I have audited the financial statements of Jefferson Facilities, Incorporated as of June 30, 2023, and have issued my report thereon dated November 20, 2023. I conducted my audit in accordance with auditing standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2023 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness - No

Other Conditions - No

Compliance

Compliance Material to Financial Statements - No

Section II Financial Statement Findings

None

Prior Year Finding – None

VINCENT R. PROTTI, JR., LLC

Certified Public Accountant

Member The Society of Louisiana CPA's

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Jefferson Facilities Incorporated and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Jefferson Facilities, Incorporated entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES – no exceptions noted

BOARD COMMITTEE – no exceptions noted

BANK RECONCILIATIONS – no exceptions noted

COLLECTIONS – not applicable, the entity doesn't collect any cash/checks/money orders

NON-PAYROLL DISBURSEMENTS- not applicable, the entity doesn't have employees

CREDIT CARD/DEBIT CARDS/FUEL CARDS/P-CARDS- not applicable, none issued

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENT-not applicable-none

CONTRACTS – no exceptions noted, none during fiscal year

PAYROLL AND PERSONNEL- not applicable, only has a Board no employees

ETHICS – no exception noted

DEBT SERVICE – not applicable, none for fiscal year

FRAUD NOTICE – no exception noted

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY- I
performed the procedures and discussed the results with management

SEXUAL HARASSMENT – no exceptions, but did post sexual harassment policies and complaint procedures on the premise, but has no employees

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American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Jefferson Facilities, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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

Vincent R. Protti Jr., CPA


Gretna, Louisiana

November 20, 2023