

EISNER&ER

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2024



IBERIA ECONOMIC DEVELOPMENT AUTHORITY

CONTENTS

	<u>Page</u>
<u>Independent Accountants' Review Report</u>	1 - 2
<u>Required Supplementary Information (Part I):</u>	
Management's Discussion and Analysis	3 - 7
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Governmental Fund:	
Balance Sheet	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balance	12
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in the Fund Balance to the Statement of Activities	13
Notes to Basic Financial Statements	14 - 21
<u>Required Supplementary Information (Part II):</u>	
Budgetary Comparison Schedule (Budgetary Basis) – General Fund	22
<u>Supplementary Information:</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	23

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners of Iberia Economic Development Authority

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Iberia Economic Development Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and those standards applicable to review engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

The supplementary information included in the Schedule of Compensation, Benefits, and Other Payments to the Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

EisnerAmper LLP

EISNERAMPER LLP
Lafayette, Louisiana
January 2, 2025



IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(See Independent Accountants' Review Report)

This section of the Iberia Economic Development Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2024. This document focuses on current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased by \$259,121 during the course of this year's operations, compared to \$486,794 in the prior fiscal year.
- Governmental activities revenue decreased \$167,585 from the prior year, primarily due to less funding for the Progress Point Business Park development received in the form of capital grants and contributions in 2024. This was offset with administrative fees received for new projects entered into in 2024.
- The governmental fund reported a fund balance of \$542,580 at year end, an increase of \$296,154 from the prior fiscal year.
- The Authority entered into certain conduit debt agreements during the fiscal year ended June 30, 2024. Except for receipt of administrative fees, there is no impact to the financial statements. Disclosures have been included to inform users of these agreements. See Note 5.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The figure below shows how the required parts of this annual report are arranged and relate to one another.

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(See Independent Accountants' Review Report)

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

The remainder of this overview section of Management's Discussion and Analysis explains the structure of contents of each of the statements.

Government-wide Statement

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

Net position - the difference between the Authority's assets and liabilities - is one way to measure the Authority's financial health or position. Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

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

Fund Financial Statements

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

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(See Independent Accountants' Review Report)

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Table A-1
Authority's Net Position
Governmental Activities

	June 30, 2024	June 30, 2023	Increase (decrease)
Cash	\$ 592,580	\$ 246,426	\$ 346,154
Capital assets, net	3,343,189	3,380,222	(37,033)
Total assets	3,935,769	3,626,648	309,121
Current liabilities	50,000	-	50,000
Total liabilities	50,000	-	50,000
Net position			
Net investment in capital assets	3,343,189	3,380,222	(37,033)
Unrestricted	542,580	246,426	296,154
Total net position	<u>\$ 3,885,769</u>	<u>\$ 3,626,648</u>	<u>\$ 259,121</u>

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

	2024	2023	Increase (decrease)
Revenues			
Program revenues			
Operating grants and contributions	\$ 51,656	\$ 64,767	\$ (13,111)
Capital grants and contributions	-	591,588	(591,588)
General revenues			
Interest income	103	125	(22)
Other income	442,186	5,050	437,136
Total revenues	493,945	661,530	(167,585)
Expenses			
Economic development	234,824	174,736	60,088
Total expenses	234,824	174,736	60,088
Change in net position	<u>\$ 259,121</u>	<u>\$ 486,794</u>	<u>\$ (227,673)</u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(See Independent Accountants' Review Report)

Governmental Activities

For the year ended June 30, 2024, approximately 10% of the Authority's revenue came from operating grants and contributions. Approximately 90% of the Authority's revenues came from general revenues, which includes revenues from agreements described in Note 5. Total revenues decreased from 2023 to 2024 as a result of decreases in state appropriations for Progress Point capital outlay in 2024. Total expenses remained relatively consistent from 2023 to 2024.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

General Fund Budgetary Highlights

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

CAPITAL ASSETS

As of June 30, 2024, the Authority has invested approximately \$3.34 million in land and equipment. (See Table A-3). There were no significant changes to the Authority's capital assets during 2024. There were no acquisitions and no disposals of land or equipment during the fiscal year ended June 30, 2024.

Table A-3
Authority's Capital Assets

	Governmental Activities	
	2024	2023
Land	\$ 1,822,367	\$ 1,822,367
Land improvements	1,565,779	1,565,779
Equipment	24,390	24,390
Accumulated depreciation	(71,956)	(34,923)
Construction in progress	2,609	2,609
Total	<u>\$ 3,343,189</u>	<u>\$ 3,380,222</u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(See Independent Accountants' Review Report)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's major source of revenue for the general fund is State of Louisiana visitor enterprise funds, reported as state appropriation revenue in the general fund financial statements and as operating grants and capital contributions in the government-wide financial statements. The Authority expects the visitor enterprise revenues for fiscal year 2025 to remain consistent with the amount received by the Authority in fiscal year 2024. Additionally, the Authority has plans to continue development of Progress Point during 2025. The Authority expects to receive approximately \$2,115,000 in state capital outlay revenue and approximately \$316,000 in regional support to assist in covering the costs of development in the upcoming fiscal year.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michael Tarantino, 101 Burke Street, New Iberia, Louisiana 70560.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2024

ASSETS

Cash	\$ 592,580
Capital assets - net	<u>3,343,189</u>
TOTAL ASSETS	<u>3,935,769</u>

LIABILITIES

Accounts payable	\$ 50,000
TOTAL LIABILITIES	<u>50,000</u>

NET POSITION

Net investment in capital assets	3,343,189
Unrestricted	<u>542,580</u>
TOTAL NET POSITION	<u>\$ 3,885,769</u>

See accompanying notes and Independent Accountants' Review Report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Functions</u>			
Economic development	<u>\$ 234,824</u>	<u>\$ 51,656</u>	<u>\$ (183,168)</u>
<u>General Revenues</u>			
Other income			442,186
Interest income			<u>103</u>
Total general revenues			<u>442,289</u>
Change in net position			259,121
Net position - June 30, 2023			<u>3,626,648</u>
Net position - June 30, 2024			<u>\$ 3,885,769</u>

See accompanying notes and Independent Accountants' Review Report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

BALANCE SHEET

JUNE 30, 2024

	General Fund
<u>ASSETS</u>	
Cash	\$ 592,580
TOTAL ASSETS	<u>\$ 592,580</u>
<u>LIABILITIES</u>	
Accounts payable	<u>\$ 50,000</u>
TOTAL LIABILITIES	<u>50,000</u>
<u>FUND BALANCE</u>	
Unassigned	<u>542,580</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 592,580</u>

See accompanying notes and Independent Accountants' Review Report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance at June 30, 2024 - Governmental Fund		\$	542,580
Capital Assets:			
Cost of land and land improvements at June 30, 2024	\$	3,388,146	
Cost of equipment at June 30, 2024		24,390	
Cost of construction in progress at June 30, 2024		2,609	
Less: Accumulated Depreciation as of June 30, 2024		<u>(71,956)</u>	<u>3,343,189</u>
Total Net Position at June 30, 2024 - Governmental Activities		\$	<u>3,885,769</u>

See accompanying notes and Independent Accountants' Review Report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund
	<hr/>
<u>REVENUES</u>	
State sources:	
State appropriation	\$ 51,656
Other income	442,186
Interest income	<hr/> 103
TOTAL REVENUES	<hr/> 493,945
<u>EXPENDITURES</u>	
Economic development	<hr/> 197,791
TOTAL EXPENDITURES	<hr/> 197,791
<u>NET CHANGE IN FUND BALANCE</u>	296,154
Fund balance, June 30, 2023	<hr/> 246,426
<u>FUND BALANCE, JUNE 30, 2024</u>	<hr/> <hr/> \$ 542,580

See accompanying notes and Independent Accountants' Review Report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN THE FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balance - Governmental Fund	\$ 296,154
Capital Assets:	
Depreciation expense for the year ended June 30, 2024	<u>(37,033)</u>
Change in Net Position - Governmental Activities	<u><u>\$ 259,121</u></u>

See accompanying notes and Independent Accountants' Review Report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Government-Wide Financial Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Financial Statements (continued)

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

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

Fund Financial Statements

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

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

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

Fund Financial Statements

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024
(See Independent Accountants' Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents:

Cash includes amounts in demand deposits and on hand. The Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Authority has no cash equivalents at June 30, 2024.

Custodial Credit Risk:

The Authority is subject to custodial credit risk as it relates to their deposits with its financial institution. The Authority's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Authority's name. At June 30, 2024, the Authority's bank balance totaled \$592,580. The bank balance was covered by federal depository insurance and pledged securities by the financial institution.

Capital Assets:

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources:

Deferred outflows of resources represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow of resources represents the acquisition of net position that is applicable to a future reporting period. The Authority has no deferred outflows of resources or deferred inflows of resources at June 30, 2024.

Equity Classifications:

Government-Wide Statements

Net Position

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (continued)

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

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

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

Fund Financial Statements

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

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

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024
(See Independent Accountants' Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements: (continued)

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

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Authority is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Authority recorded no impairment losses during the year ended June 30, 2024.

Use of Estimates:

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

2. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,822,367	\$ -	\$ -	\$ 1,822,367
Land improvements - Non-depreciable	199,617	-	-	199,617
Construction in progress	2,609	-	-	2,609
Total capital assets not being depreciated, net	<u>2,024,593</u>	<u>-</u>	<u>-</u>	<u>2,024,593</u>
Capital assets being depreciated:				
Land improvements - Depreciable	1,366,162	-	-	1,366,162
Equipment	24,390	-	-	24,390
Less: accumulated depreciation	<u>(34,923)</u>	<u>(37,033)</u>	<u>-</u>	<u>(71,956)</u>
Total capital assets being depreciated, net	<u>1,355,629</u>	<u>(37,033)</u>	<u>-</u>	<u>1,318,596</u>
Total governmental activities capital assets, net	<u>\$ 3,380,222</u>	<u>\$ (37,033)</u>	<u>\$ -</u>	<u>\$ 3,343,189</u>

Construction in progress during 2024 relates to utility installation at the industrial district development site. Depreciation expense for the year ended June 30, 2024 was \$37,033 and is reported as economic development expense in the statement of activities.

3. COOPERATIVE ENDEAVOR AGREEMENTS

Effective October 2013, the Authority has a standing cooperative endeavor agreement with the Iberia Industrial Development Foundation (IDF) whereby IDF furnishes office and meeting space, supplies, equipment, and additional administrative services for the Authority on a month-to-month basis. The Authority has no employees and relies on this agreement for administrative services. The Authority pays IDF \$8,500 per month for these services. During the fiscal year ended June 30, 2024, payments to IDF related to this agreement totaled \$102,000.

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

In June 2024, the Authority signed a cooperative endeavor agreement with Waterworks District No. 3 (Coteau) of the Parish of Iberia, State of Louisiana (the Waterworks District). This agreement is further described in Note 5 related to the First Solar project.

4. CONCENTRATION

The Authority receives a significant portion of its revenue from agreements related to conduit debt obligations. If changes are made to these agreements to reduce amounts paid to the Authority, there could be an adverse impact on the Authority's operations. See Note 5 for additional information.

5. AGREEMENTS / CONDUIT DEBT OBLIGATIONS

Finance Agreement and Agreement to Issue Bonds – March 2019

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

5. AGREEMENTS / CONDUIT DEBT OBLIGATIONS (continued)

Lease Agreement and Agreement to Issue Bonds – May 2024

In May 2024, the Authority entered into a lease agreement and an agreement to issue bonds with 2024 BTS – Iberia LA, LLC (the LLC or LLC lessee) related to the Ambrose project. The Authority is the lessor in the agreement, leasing property to the LLC in order for the LLC to construct and operate a storage facility. The Ambrose project will be funded from various sources including the possible issuance of bonds by the Authority on behalf of the LLC. The Authority has the option to issue up to \$50,000,000 of Industrial Development Revenue Bonds to finance all or a portion of the project, provided the LLC first complies with certain requirements in the agreement. No bonds have been issued to date with respect to this Ambrose project. In consideration of issuing the bonds the LLC has conveyed the Project, including the land, to the Authority. The LLC will make annual rental payments of \$284,000 per year, which will increase if necessary to cover the required annual debt service, if any, and other related expenses. The payments will begin on January 1, 2025 and continue through the 15-year term of the agreement. The agreement contains an option for the LLC to purchase the Ambrose project at any point during the agreement term for \$2,000 with written notice of not less than 45 days. At the end of the lease term, title of the property transfers to the LLC. The LLC is responsible for all costs associated with the maintenance and operations of the Ambrose project, including insurance coverage. Upon signing of the agreement in 2024, the Authority received \$100,000 to cover closing costs and other expenses associated with the transaction. The Authority determined the land to have no acquisition value and therefore no land cost associated with the Project has been capitalized.

Lease Agreement – June 2024

In June 2024, the Authority entered into a series of agreements related to the construction and operation of a water treatment and distribution plan (the water plant). The agreements include (1) a lease agreement with First Solar, Inc. (First Solar), (2) a cooperative endeavor grant agreement with Waterworks District No. 3 (Coteau) of the Parish of Iberia, State of Louisiana (the Waterworks District), and (3) a trust agreement with Regions Bank (the Trustee).

As part of the lease agreement with First Solar, First Solar will transfer title of the facility improvements and equipment comprising the First Solar project, a 2.3 million square foot manufacturing facility being constructed in the jurisdiction of the Authority, to the Authority as construction is completed. As of June 30, 2024, there have been no assets transferred to the Authority.

Pursuant to the trust agreement, in June 2024, the Authority issued \$20,000,000 of Industrial Development Revenue Bonds to finance all or a portion of the water plant. The water plant is a critical component of the First Solar project. As part of the agreement with the Waterworks District, the Waterworks District has been granted the proceeds of the bonds for the construction of the water plant. The water plant will be owned and operated by the Waterworks District as part of its waterworks plant and distribution system. In consideration of issuing the bonds, the Authority received \$337,186 during the fiscal year ended June 30, 2024. The Authority has no other obligations with respect to the financing or operation of the water plant or the First Solar project.

Commencing January 1, 2026, and on January 1 of each year thereafter through and including January 1, 2040, First Solar will make lease payments of \$2.5 million per year to the Trustee under the terms of the lease agreement with the Authority. The annual lease payments will be used by the Trustee to pay principal on the issued bonds and other costs of administration of the debt. Any remaining funds after payment of the debt are to be paid to the Authority. The first payment, due January 1, 2026, has been reduced to \$1.1 million to compensate First Solar for certain expenses. No other future payments are to be reduced. Commencing January 1, 2041, and on each January 1 of each year thereafter through the end of the lease term (20 years after the First Solar project is placed into service), First Solar shall pay 20% of the tax liability calculated for the preceding year.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024
(See Independent Accountants' Review Report)

5. AGREEMENTS (continued)

Lease Agreement – June 2024 (continued)

Upon completion of the project or full payment of the bonds, title of the facility and equipment (originally transferred to the Authority) transfers back to First Solar. First Solar is responsible for all costs associated with the maintenance and operations of the facility, including insurance coverage.

6. SUBSEQUENT EVENTS

In November 2024, the Authority placed a deposit of \$111,000 for the purchase of land for the future expansion of Progress Pointe. As of the date of this report, the seller has not executed the purchase agreement. The land is estimated to cost approximately \$1,900,000 and be funded primarily by state appropriation.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 2, 2025, and determined that there were no additional events that require additional disclosure. No events after this date have been evaluated for inclusion in the financial statements.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)****FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
State sources:				
State appropriation	\$ 64,750	\$ 51,656	\$ 51,656	\$ -
State capital outlay	2,105,800	-	-	-
Other income	5,500	5,000	5,000	-
Interest income	275	85	103	18
Regional support	316,500	-	-	-
Total revenues	<u>2,492,825</u>	<u>56,741</u>	<u>56,759</u>	<u>18</u>
<u>Expenditures:</u>				
Current -				
Economic development	142,800	147,782	147,791	(9)
Capital outlay	<u>2,350,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,492,825</u>	<u>147,782</u>	<u>147,791</u>	<u>(9)</u>
Net change in fund balance	-	(91,041)	(91,032)	9
Fund balance, beginning	<u>293,762</u>	<u>293,762</u>	<u>246,426</u>	<u>(47,336)</u>
Fund balance, ending	<u>\$ 293,762</u>	<u>\$ 202,721</u>	<u>\$ 155,394</u>	<u>\$ (47,327)</u>

Note to the Schedule:

The General Fund budget is prepared on a budgetary basis which excludes the effects of certain agreements / conduit debt obligation transactions, which increase other revenue as well as expenditures. A reconciliation of the GAAP basis of accounting to the budgetary basis is as follows:

	Other Income	Economic Development Expenditures
GAAP basis	\$ 442,186	\$ 197,791
Other income and expenditures related to conduit debt obligation transactions	(437,186)	(50,000)
Budgetary basis	<u>\$ 5,000</u>	<u>\$ 147,791</u>

See Independent Accountants' Review Report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024**

Chairman - Cecil Hymel

No payments made to agency head during the fiscal year ended June 30, 2024.

See Independent Accountants' Review Report.