
IBERIA ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2019

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2019

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Commissioners
Iberia Economic Development Authority
New Iberia, Louisiana

Management is responsible for 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, 2019, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 5 and page 19 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 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. The information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head (the Schedule) on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule is the responsibility of management. The Schedule was subject to our compilation engagement. We have not audited or reviewed the Schedule and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.



Lafayette, Louisiana
December 18, 2019

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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, 2019. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased by \$2,025 during the course of this year's operations.
- The governmental fund reported a fund balance of \$299,562 at year end.

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
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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

		Government-wide Financial Statements (continued)		Governmental Fund Statements (continued)	
Type of inflow/outflow information		All revenues and expenses during year, regardless of when cash is received or paid		Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	

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

Government-wide Statement

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

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

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

Fund Financial Statements

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

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

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Table A-1
Authority's Net Position
Governmental Activities

	June 30, 2019	June 30, 2018
Cash	\$ 299,562	\$ 301,587
Capital assets, net	2,021,984	2,021,984
Total assets	2,321,546	2,323,571
Current liabilities	-	-
Total liabilities	-	-
Net position		
Net investment in capital assets	2,021,984	2,021,984
Unrestricted	299,562	301,587
Total net position	<u>\$ 2,321,546</u>	<u>\$ 2,323,571</u>

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

	2019	2018
Revenues		
Program revenues		
Operating grants and contributions	\$ 39,947	\$ 55,888
General revenues		
Interest income	457	503
Rent income	758	758
Economic development fee	50,000	-
Total revenues	91,162	57,149
Expenses		
Economic development	93,187	77,142
Total expenses	93,187	77,142
Change in net position	<u>\$ (2,025)</u>	<u>\$ (19,993)</u>

Governmental Activities

For the year ended June 30, 2019, approximately 44 percent of the Authority's revenue came from operating grants and contributions from the State of Louisiana and 56 percent came from general revenues. Total revenues for the Authority's governmental activities increased \$34,013 from 2018 primarily due to revenue received from an economic development lease agreement entered into by the Authority during 2019. The Authority (the Lessor) 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. Upon signing the agreement, the Authority received an economic development fee of \$50,000 to cover initial costs incurred by the Authority related to the agreement. Total expenses increased by \$16,045 from 2018, primarily due to closing costs associated with the aforementioned lease agreement. See Note 7 for additional information related to this agreement.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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 \$2,350,000 of state appropriated funds for the continued development of the industrial district. However, this was not appropriated and 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 Authority's General Fund budget to adjust for other various revenues and expenses. With these adjustments, actual revenues were approximately \$50,000 more than final budgeted revenues. Also, actual expenditures were approximately \$1,035 more than final budgeted expenditures.

CAPITAL ASSETS

At June 30, 2019, the Authority has invested approximately \$2.0 million in land and equipment. (See Table A-3). There were no additions or disposals of land or equipment during the fiscal year ended June 30, 2019.

Table A-3
Authority's Capital Assets

	Governmental Activities	
	2019	2018
Land	\$ 1,822,367	\$ 1,822,367
Land improvements	199,617	199,617
Equipment	9,995	9,995
Accumulated depreciation	(9,995)	(9,995)
Total	<u>\$ 2,021,984</u>	<u>\$ 2,021,984</u>

DEBT ADMINISTRATION

In July 2018, the Authority signed a revenue anticipation note with a local financial institution. The note is advanced to the Authority on a revolving line of credit basis up to the principal amount of \$50,000. The note carried a 5.50% rate of interest and matured on July 23, 2019. During fiscal year 2019, the Authority did not receive any proceeds from the issuance of this debt. Subsequent to year end, the Authority signed a new revenue anticipation note with the financial institution. The new note is advanced to the Authority on a revolving line of credit basis up to the principal amount of \$30,000, carries a 5.75% rate of interest, and matures on July 23, 2020.

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. The Authority expects the visitor enterprise revenues for fiscal year 2019 to be consistent with the amount received by the Authority in fiscal year 2019. Additionally, the Authority anticipates beginning to receive lease income, in accordance with the lease agreement described in Note 7.

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, 2019

ASSETS

ASSETS

Cash	\$ 299,562
Capital assets - net	<u>2,021,984</u>
TOTAL ASSETS	<u><u>\$ 2,321,546</u></u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	<u>\$ -</u>
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NET POSITION

Net investment in capital assets	2,021,984
Unrestricted	<u>299,562</u>
Total net position	<u>2,321,546</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,321,546</u></u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Functions</u>			
Economic development	<u>\$ 93,187</u>	<u>\$ 39,947</u>	<u>\$ (53,240)</u>
<u>General Revenues</u>			
Rent income			758
Interest income			457
Economic development fee			<u>50,000</u>
Total general revenues			<u>51,215</u>
Change in net position			(2,025)
Net position - June 30, 2018			<u>2,323,571</u>
Net position - June 30, 2019			<u><u>\$ 2,321,546</u></u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

BALANCE SHEET

JUNE 30, 2019

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 299,562
TOTAL ASSETS	<u>\$ 299,562</u>
<u>LIABILITIES</u>	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
<u>FUND BALANCE</u>	
Unassigned	<u>299,562</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 299,562</u>

See accompanying notes and independent accountants' compilation report.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

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

JUNE 30, 2019

Total Fund Balance at June 30, 2019 - Governmental Fund		\$	299,562
Capital Assets:			
Cost of land and land improvements at June 30, 2019	\$	2,021,984	
Cost of equipment at June 30, 2019		9,995	
Less: Accumulated Depreciation as of June 30, 2019		<u>(9,995)</u>	<u>2,021,984</u>
Total net position at June 30, 2019 - Governmental Activities		\$	<u><u>2,321,546</u></u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund
	<hr/>
<u>REVENUES</u>	
State sources:	
State appropriation	\$ 39,947
Rent income	758
Interest income	457
Economic development fee	<hr/> 50,000
 TOTAL REVENUES	 <hr/> 91,162
 <u>EXPENDITURES</u>	
Economic development	<hr/> 93,187
TOTAL EXPENDITURES	<hr/> 93,187
 <u>NET CHANGE IN FUND BALANCE</u>	 (2,025)
 Fund balance, June 30, 2018	 <hr/> 301,587
 <u>FUND BALANCE, JUNE 30, 2019</u>	 <hr/> <hr/> \$ 299,562

See accompanying notes and independent accountants' compilation 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, 2019

Net Change in Fund Balance - Governmental Fund	\$ (2,025)
Capital Assets:	
Depreciation expense for the year ended June 30, 2019	<u>-</u>
Change in Net Position - Governmental Activities	<u><u>\$ (2,025)</u></u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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 long-term assets and receivables as well as any applicable long-term debt and obligations. The Authority’s net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Authority first utilizes restricted resources to finance qualifying activities.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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 each 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.

Governmental fund financial statements-

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.

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, 2019

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, 2019.

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. The Authority's deposits were not exposed to custodial credit risk at June 30, 2019.

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, 2019.

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.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity classifications (continued):

Government-wide statements (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.

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*:

- Nonspendable 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 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;

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)-

- 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).

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, 2019.

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.

Accounting Pronouncements Issued But Not Yet Adopted:

GASB issued Statement No. 87, *Leases*, in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. This Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for periods beginning after December 15, 2019.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

2. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land improvements	\$ 199,617	\$ -	\$ -	\$ 199,617
Land	<u>1,822,367</u>	<u>-</u>	<u>-</u>	<u>1,822,367</u>
Total capital assets not being depreciated, net	<u>2,021,984</u>	<u>-</u>	<u>-</u>	<u>2,021,984</u>
Capital assets being depreciated:				
Equipment	9,995	-	-	9,995
Less: accumulated depreciation	<u>(9,995)</u>	<u>-</u>	<u>-</u>	<u>(9,995)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities capital assets, net	<u>\$ 2,021,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,021,984</u>

There was no depreciation expense for the year ended June 30, 2019.

3. REVENUE ANTICIPATION NOTE

In July 2018, the Authority signed a revenue anticipation note with a local financial institution. The funds are made available to the Authority on a revolving line of credit basis up to the principal amount of \$50,000. The note had a 5.50% rate of interest and matured on July 23, 2019. During 2019, the Authority did not receive any debt proceeds related to this note. Subsequent to year end, the Authority signed a new revenue anticipation note with the financial institution. The new note is advanced to the Authority on a revolving line of credit basis up to the principal amount of \$30,000, carries a 5.75% rate of interest, and matures on July 23, 2020.

4. COOPERATIVE ENDEAVOR AGREEMENT

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 and equipment for the Authority. The Authority pays IDF \$3,500 per month for these services. During the fiscal year ended June 30, 2019, payments to IDF related to this agreement totaled \$42,000. Additional payments of \$316 related to supplies reimbursement were made to IDF during the year ended June 30, 2019.

5. CONCENTRATION

The Authority receives a majority of its revenue from the State of Louisiana visitor enterprise funds and capital outlay funds. The amounts are appropriated each year by state government. If significant budget cuts are made at the state level, the amount of funds received could be reduced significantly and have an adverse impact on the Authority's operations. Management is not aware of any actions that will significantly affect the amount of funds the Authority will receive in fiscal year 2020 relating to funding from the State of Louisiana.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

6. RELATED PARTY TRANSACTION

The Authority has a cash account and a revenue anticipation note with a local financial institution (see Note 3). One of the Commissioners of the Authority is President and CEO of that financial institution. However, the Commissioner recuses himself on voting matters related to the financial institution.

7. LEASE AGREEMENT AND AGREEMENT TO ISSUE BONDS

In March 2019, the Authority entered into a Lease Agreement and Agreement to Issue Bonds with Seritage SRC Finance LLC (Seritage or Lessee). The agreement is effective on January 2, 2020. The Authority (the Lessor) 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 possibly the issuance of bonds by the Authority on behalf of the Lessee. 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. In consideration of issuing the bonds the Lessee has conveyed the Project to the Authority. The lessee will lease 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 lease payments of \$5,000 per year will be paid to the Authority beginning January 2020 and continue through the term of the lease. The lease contains an option to purchase the Project at any point during the lease term for \$2,000 with written notice of not less than 45 days. The Lessee 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.

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
State sources:				
State appropriation	\$ 64,750	\$ 39,947	\$ 39,947	\$ -
State capital outlay	2,350,000	-	-	-
Rent income	800	758	758	-
Interest income	475	440	457	17
Regional support	400,000	-	-	-
Economic development fee	-	-	50,000	50,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	2,816,025	41,145	91,162	50,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Expenditures:</u>				
Current -				
Economic development	66,025	92,152	93,187	(1,035)
Debt service -				
Principal retirement	35,000	-	-	-
Interest charges	600	-	-	-
Capital outlay	2,931,725	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	3,033,350	92,152	93,187	(1,035)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Excess of Expenditures over Revenues</u>	<u>(217,325)</u>	<u>(51,007)</u>	<u>(2,025)</u>	<u>48,982</u>
<u>Other Financing Sources:</u>				
Proceeds from issuance of debt	35,000	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	(182,325)	(51,007)	(2,025)	48,982
Fund balance, beginning	182,325	51,007	301,587	250,580
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,562</u>	<u>\$ 299,562</u>

IBERIA ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2019

Chairman - John Bellefontaine (July 1, 2018 - December 31, 2018)

Chairman - Chad Courtois (January 1, 2019 - June 30, 2019)

No payments made to agency head during the fiscal year ended June 30, 2019.