

**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

Jefferson Parish, Louisiana

Audit of Financial Statements

December 31, 2017



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of the Jefferson Parish Economic Development Commission (JEDCO), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise JEDCO's basic financial statements as listed in the table of contents. We have also audited the fiduciary fund of JEDCO as of and for the year ended December 31, 2017 as displayed in JEDCO's basic 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the fiduciary fund of JEDCO as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page 5, and the budgetary comparison schedules, beginning on page 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2018, on our consideration of JEDCO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JEDCO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JEDCO's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Metairie, LA
May 14, 2018

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

The Management's Discussion and Analysis (MD&A) of Jefferson Parish Economic Development Commission's (JEDCO) financial performance provides an overall review and an objective, easily readable analysis of JEDCO's financial activities for the year ended December 31, 2017. The intent of the MD&A is to review JEDCO's overall financial performance and to assist readers in assessing its financial position. Therefore, readers should read this MD&A in conjunction with JEDCO's financial statements and the notes to the financial statements.

Financial Highlights

- The assets of JEDCO exceeded its liabilities at the end of December 31, 2017 by \$32,720,560 (*net position*). Of this amount, \$2,667,498 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- JEDCO's total net position decreased by \$1,275,325. The increase from the prior year was \$3,024,190 due to the transfer of the JEDCO building from FORJ to JEDCO in exchange for JEDCO's paying the maturing debt related to the building during the year ended December 31, 2016. The difference is also due to the recognition of bad debt expense on loans receivable written off or allowed for in 2017.
- JEDCO's total assets decreased by \$1,287,577 during the current year. The decrease is primarily related to the write-off of notes receivable.
- JEDCO's total liabilities decreased by \$12,262 during the current year. The decrease was primarily due to the principal payments on the revenue bonds, offset by an increase in compensated absences and accounts payable.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to JEDCO's basic financial statements. JEDCO's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying events giving rise to the changes occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and compensated absences payable).

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. JEDCO, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of JEDCO can be divided into two categories: governmental funds and fiduciary funds.

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

JEDCO maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, for the General Fund, Jefferson Edge Fund, EDA Revolving Loan Fund, BRGL/LRCF Fund, ILTAP Fund, and JEDCO Debt Service Fund, all of which are considered to be major funds.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* in the form of budgetary comparison schedules for the General Fund and all major Special Revenue Funds. This information was discussed earlier in the governmental fund section. The required supplementary information begins on page 43 of this report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of JEDCO, assets exceeded liabilities by \$32,720,560, at December 31, 2017.

Statements of Net Position

	2017	2016
Assets		
Current and Other Assets	\$ 6,431,820	\$ 5,799,983
Notes Receivable	7,635,397	9,585,818
Capital Assets	21,026,470	21,014,314
Total Assets	35,093,687	36,400,115
Liabilities		
Other Liabilities	178,819	95,626
Long-Term Liabilities Outstanding	2,194,308	2,308,604
Total Liabilities	2,373,127	2,404,230
Net Position		
Net Investment in Capital Assets	18,904,177	18,771,021
Restricted		
Economic Development	158,330	-
Jefferson Edge	1,042,965	905,986
EDA Revolving Loan Fund	1,344,519	1,349,825
BRGL/LRCF Fund	6,208,686	8,117,365
ILTAP Fund	2,394,092	2,361,465
JEDCO Debt Service Fund	293	293
Unrestricted	2,667,498	2,489,930
Total Net Position	\$ 32,720,560	\$ 33,995,885

Net investment in capital assets represents JEDCO's net book value of its fixed assets, less any related debt used to acquire those assets. It is the accumulation of years of investments in fixed assets. These assets are not available for spending. The restricted portion of net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,667,498) may be used to meet the government's ongoing obligations to citizens and creditors.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

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

The government's net position decreased by \$1,275,325 during the current year. The increase from the prior year was \$3,024,190 due to the transfer of the JEDCO building from FORJ to JEDCO in exchange for JEDCO's paying the maturing debt related to the building during the year ended December 31, 2016. The difference is also due to the recognition of bad debt expense on loans and accounts receivable written off or allowed for in 2017.

Governmental activities. Governmental activities decreased JEDCO's net position by \$1,275,325. Key elements of this decrease are as summarized below.

The largest component of the decrease in net position was the recognition of bad debt expense on loans receivable written off or allowed for in 2017. The bad debt expense for the year ended December 31, 2017, totaled \$1,984,725.

Charges for services increased by \$1,903 in the current year primarily due to an increase in SBA administration fees as well as rental income associated with JEDCO's Conference Center.

Operating grants and contributions increased by \$76,067 primarily due to an increase in federal funds related to the ILTAP program.

Capital grants and contributions decreased by \$189,240 in the current year. For the year ended December 31, 2017, capital grants and contributions consist solely of a donation of land valued at \$420,000. In 2016, capital grants and contributions were primarily the value of gravel and dirt provided for the Churchill Technology and Business Park provided by Jefferson Parish.

Within general revenues, JEDCO's share of occupational license revenues received from Jefferson Parish totaled \$2,020,000, an increase of \$20,000 over the prior year. The increase is due to the 2016 resolution by the Jefferson Parish Council increasing the allocation annually based on adjustments in the consumer price index.

Miscellaneous revenues increased \$37,840 primarily due to increases in sponsorships for JEDCO events.

In total, expenses increased by \$2,029,873 from the prior year. The increase is primarily due to bad debt expense totaling \$1,984,725 recognized on loans and accounts receivable during the year ended December 31, 2017.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Statements of Activities

	2017	2016
Revenues		
Program Revenues		
Charges for Services	\$ 398,311	\$ 396,408
Operating Grants and Contributions	479,120	403,053
Capital Grants and Contributions	420,000	609,240
General Revenues		
Share of Jefferson Parish Occupational Licenses	2,020,000	2,000,000
Interest and Investment Earnings	298,255	294,695
Miscellaneous	44,498	8,825
Net Transfers	-	2,217,605
Total Revenues	3,660,184	5,929,826
Expenses		
Administrative	1,426,297	1,642,376
Economic Development Services	255,005	223,466
Marketing	233,987	184,716
Financing	232,412	238,177
Business Innovation Center	122,217	67,102
Jefferson Edge	88,453	91,813
Tech Park	240,877	198,682
Strategic Initiative	53,535	-
Conference Center	118,967	35,674
Kenner Program	24,125	68,721
Building Expense	154,909	154,909
Bad Debt Expense	1,984,725	-
Total Expenses	4,935,509	2,905,636
Change in Net Position	(1,275,325)	3,024,190
Net Position, Beginning of Year	33,995,885	30,971,695
Net Position, End of Year	\$ 32,720,560	\$ 33,995,885

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

Financial Analysis of the Government's Funds

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

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

As of the end of the current year, JEDCO's governmental funds reported combined fund balances of \$13,888,398, a decrease of \$1,401,027 in comparison with the prior year. Of this balance, \$2,389,567 is considered to be unassigned.

The General Fund is the chief operating fund of JEDCO. At the end of the current year, the General Fund has a total fund balance of \$2,897,843, of which \$2,389,567 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 109 percent of total General Fund expenditures. The General Fund's fund balance increased by \$343,352 during the current year. The largest single revenue source for the General Fund continues to be JEDCO's share of occupational license revenues from Jefferson Parish. The occupational license revenue recognized in the General Fund increased \$20,000 from the prior year to \$2,020,000 in 2017.

The Jefferson Edge Special Revenue Fund has a total fund balance of \$1,042,965 of which \$1,041,968 is restricted for use based on the donors' intent. The net increase in the fund balance during the current year was \$136,979.

The EDA Revolving Loan Special Revenue Fund has a total fund balance of \$1,344,519, of which \$1,217,954 is nonspendable since it is not expected to be available until the year ending December 31, 2018. The net decrease in the fund balance during the current year was \$5,306, primarily related to interest income earned in excess of administrative expenses.

The BRGL/LRCF Special Revenue Fund has a total fund balance of \$6,208,686, of which \$5,636,328 is nonspendable for use since it is not expected to be available until the year ending December 31, 2018. The net decrease in fund balance during the current year was \$1,908,679, primarily related to bad debt expense totaling \$1,984,725 recognized on loans and accounts receivable during the year ended December 31, 2017.

The ILTAP Special Revenue Fund has a total fund balance of \$2,394,092, of which \$1,989,575 is nonspendable for use since it is not expected to be available until the year ending December 31, 2018. The net increase in fund balance during the current year was \$32,627, primarily related to interest income earned in excess of administrative expenses.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

The JEDCO Debt Service Fund has a total fund balance of \$293. The fund was created in 2015 through the issuance of revenue bonds. The total fund balance is restricted for the future debt service of the revenue bonds.

General Fund Budgetary Highlights

JEDCO's budget is prepared according to Louisiana law. During the course of the year, JEDCO revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. A statement showing JEDCO's original and final budget compared with actual operating results is provided in this annual report. The General Fund's actual revenues exceeded projected revenues by \$72,631, and actual expenditures were less than final projections by \$244,856.

A comparison of actual results as of December 31, 2017 and the final budget for the General Fund are as follows:

	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
Total Revenues	\$ 2,680,400	\$ 2,753,031	\$ 72,631
Total Expenditures	2,442,960	2,198,105	244,855
Total Net Change	\$ 237,440	\$ 554,926	\$ 317,486

Capital Assets, Depreciation, and Debt Administration

Capital Assets

At December 31, 2017, JEDCO had \$21,026,470 invested in capital assets. This amount is net of accumulated depreciation to date. The net book value of capital assets at December 31, 2017, is as follows:

Land and Improvements	\$ 8,713,804
Infrastructure, Net	4,457,734
Office Furniture and Equipment, Net	100,373
Conference Center Furniture and Equipment, Net	42,618
Conference Center Building, Net	2,554,753
JEDCO Building, Net	5,157,188
Total	\$ 21,026,470

Depreciation expense for the year ended December 31, 2017 was \$428,280. Additional information on JEDCO's capital assets can be found in Note 5.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2017

Long-Term Obligations

JEDCO's long-term obligations at December 31, 2017, are comprised of:

Revenue Bonds	\$ 2,122,000
Compensated Absences Payable	<u>72,308</u>
Total	<u>\$ 2,194,308</u>

Economic Factors and Next Year's Budget

Several factors will influence whether or not JEDCO will experience an increase or decrease of revenues (i.e., occupancy of tenants in the incubator facility in the Churchill Technology and Business Park location, rental conference center, and investment tools). During 2017, JEDCO entered into a cooperative endeavor agreement with Jefferson Parish for \$158,330 to support an economic development project in which a private company relocated part of its operations to the Parish. Delgado Community College is building a new campus in the Churchill Technology and Business Park.

JEDCO anticipates a continual increase in operational expenses largely due to the occupancy of JEDCO's administrative building and the ownership of the JEDCO Conference Center. Examples of such increases include insurance, maintenance, utilities, security, and building and janitorial supplies.

Contacting JEDCO's Financial Management

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Net Position
December 31, 2017

Statement A

	Governmental Activities	Discretely Presented Component Units	Total
Assets			
Cash and Cash Equivalents	\$ 3,012,983	\$ 35,584	\$ 3,048,567
Investments	3,363,233	-	3,363,233
Notes Receivable, Net	7,635,397	-	7,635,397
Due from Other Governments	20,275	-	20,275
Prepaid Expenses	35,329	-	35,329
Capital Assets, Net			
Land and Improvements	8,713,804	-	8,713,804
Infrastructure Assets, Net	4,457,734	-	4,457,734
Office Furniture and Equipment, Net	100,373	-	100,373
Conference Center Furniture and Equipment, Net	42,618	-	42,618
Conference Center Building, Net	2,554,753	-	2,554,753
JEDCO Building, Net	5,157,188	-	5,157,188
Total Assets	35,093,687	35,584	35,129,271
Liabilities			
Accounts Payable	166,319	-	166,319
Unearned Income	12,500	-	12,500
Due to Other Governments	-	20,073	20,073
Escrow Deposits	-	5,500	5,500
Compensated Absences Payable, Long-Term	72,308	-	72,308
Long-Term Debt			
Due Within One Year	126,000	-	126,000
Due In More Than One Year	1,996,000	-	1,996,000
Total Liabilities	2,373,127	25,573	2,398,700
Net Position			
Net Investment in Capital Assets	18,904,177	-	18,904,177
Restricted for:			
Economic Development	158,330	-	158,330
Jefferson Edge	1,042,965	-	1,042,965
EDA Revolving Loan Fund	1,344,519	-	1,344,519
BRGL/LRCF Fund	6,208,686	-	6,208,686
ILTAP Fund	2,394,092	-	2,394,092
JEDCO Debt Service Fund	293	-	293
Unrestricted Net Position	2,667,498	10,011	2,677,509
Total Net Position	\$ 32,720,560	\$ 10,011	\$ 32,730,571

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Activities
For the Year Ended December 31, 2017

Statement B

Functions / Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	JEDCO	Discretely Presented Component Units	Total
Governmental Activities							
Administrative	\$ 1,426,297	\$ 373,602	\$ -	\$ 420,000	\$ (632,695)	\$ -	\$ (632,695)
Economic Development Services	255,005	1,171	208,330	-	(45,504)	-	(45,504)
Marketing	233,987	-	-	-	(233,987)	-	(233,987)
Financing	232,412	15,000	-	-	(217,412)	-	(217,412)
Business Innovation Center	122,217	-	33,290	-	(88,927)	-	(88,927)
Jefferson Edge	88,453	-	237,500	-	149,047	-	149,047
Tech Park	240,877	-	-	-	(240,877)	-	(240,877)
Strategic Initiative	53,535	-	-	-	(53,535)	-	(53,535)
Conference Center	118,967	8,538	-	-	(110,429)	-	(110,429)
Kenner Program	24,125	-	-	-	(24,125)	-	(24,125)
Building Expense	154,909	-	-	-	(154,909)	-	(154,909)
Bad Debt Expense	1,984,725	-	-	-	(1,984,725)	-	(1,984,725)
Total Governmental Activities	4,935,509	398,311	479,120	420,000	(3,638,078)	-	(3,638,078)
Discretely Presented Component Units							
FORJ	188,290	-	-	-	-	(188,290)	(188,290)
JEDCO Development Corporation	61,841	-	-	-	-	(61,841)	(61,841)
Total	\$ 5,185,640	\$ 398,311	\$ 479,120	\$ 420,000	(3,638,078)	(250,131)	(3,888,209)
General Revenues							
Share of Jefferson Parish Occupational Licenses					2,020,000	-	2,020,000
Interest and Investment Earnings					298,255	-	298,255
Miscellaneous					44,498	250,141	294,639
Total General Revenues					2,362,753	250,141	2,612,894
Change in Net Position					(1,275,325)	10	(1,275,315)
Net Position, Beginning of Year					33,995,885	10,001	34,005,886
Net Position, End of Year					\$ 32,720,560	\$ 10,011	\$ 32,730,571

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Balance Sheet
Governmental Funds
December 31, 2017

Statement C

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL/ LRCF Fund	ILTAP Fund	JEDCO Debt Service Fund	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 273,423	\$ 231,528	\$ 216,456	\$ 1,793,611	\$ 497,672	\$ 293	\$ 3,012,983
Investments	2,551,337	811,896	-	-	-	-	3,363,233
Notes Receivable, Net	-	-	1,151,301	4,582,337	1,901,759	-	7,635,397
Due from Other Funds	40,841	-	-	50	-	-	40,891
Due from Other Governments	20,275	-	-	-	-	-	20,275
Prepaid Expenses	34,332	997	-	-	-	-	35,329
Total Assets	\$ 2,920,208	\$ 1,044,421	\$ 1,367,757	\$ 6,375,998	\$ 2,399,431	\$ 293	\$ 14,108,108
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 9,815	\$ -	\$ -	\$ 156,504	\$ -	\$ -	\$ 166,319
Deferred Income/Revenue	12,500	-	-	-	-	-	12,500
Due to Other Funds	50	1,456	23,238	10,808	5,339	-	40,891
Total Liabilities	22,365	1,456	23,238	167,312	5,339	-	219,710
Fund Balances							
Nonspendable	34,332	997	1,217,954	5,636,328	1,989,575	-	8,879,186
Restricted	158,330	1,041,968	126,565	572,358	404,517	293	2,304,031
Committed	12,103	-	-	-	-	-	12,103
Assigned	303,511	-	-	-	-	-	303,511
Unassigned	2,389,567	-	-	-	-	-	2,389,567
Total Fund Balances	2,897,843	1,042,965	1,344,519	6,208,686	2,394,092	293	13,888,398
Total Liabilities and Fund Balances	\$ 2,920,208	\$ 1,044,421	\$ 1,367,757	\$ 6,375,998	\$ 2,399,431	\$ 293	\$ 14,108,108

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2017

Statement D

Fund Balances - Total Governmental Funds		\$ 13,888,398
Cost of Capital Assets at December 31, 2017	\$ 24,420,144	
Less: Accumulated Depreciation as of December 31, 2017	<u>(3,393,674)</u>	21,026,470
Long-Term Liabilities at December 31, 2017		
Bonds Payable		(2,122,000)
Compensated Absences Payable		<u>(72,308)</u>
Net Position of Governmental Activities		<u>\$ 32,720,560</u>

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

Statement E

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL/LRCF Fund	ILTAP Fund	JEDCO Debt Service Fund	Total Governmental Funds
Revenues							
Intergovernmental							
Share of Jefferson Parish Occupational Licenses	\$ 2,020,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,020,000
CEA Revenue	208,330	-	-	-	-	-	208,330
Charges for Services	389,773	-	-	-	-	-	389,773
Business Innovation Center Revenue	33,290	-	-	-	-	-	33,290
Conference Center	8,538	-	-	-	-	-	8,538
Interest and Investment Earnings	28,602	7,932	36,624	177,484	47,613	-	298,255
Miscellaneous	44,498	-	-	-	-	-	44,498
Donations	20,000	217,500	-	-	-	-	237,500
Total Revenues	2,753,031	225,432	36,624	177,484	47,613	-	3,240,184
Expenditures							
Administrative	1,142,709	-	41,930	101,438	14,986	-	1,301,063
Economic Development Services	255,005	-	-	-	-	-	255,005
Marketing	233,987	-	-	-	-	-	233,987
Financing	232,412	-	-	-	-	-	232,412
Business Innovation Center	122,217	-	-	-	-	-	122,217
Jefferson Edge	-	88,453	-	-	-	-	88,453
Tech Park	67,705	-	-	-	-	-	67,705
Strategic Initiative	53,535	-	-	-	-	-	53,535
Conference Center	45,974	-	-	-	-	-	45,974
Kenner Program	24,125	-	-	-	-	-	24,125
Bad Debt Expense	-	-	-	1,984,725	-	-	1,984,725
Capital Outlay	20,436	-	-	-	-	-	20,436
Debt Service	-	-	-	-	-	211,574	211,574
Total Expenditures	2,198,105	88,453	41,930	2,086,163	14,986	211,574	4,641,211
Excess (Deficiency) of Revenues Over Expenditures	554,926	136,979	(5,306)	(1,908,679)	32,627	(211,574)	(1,401,027)
Other Financing Sources (Uses)							
Transfers from Other Funds	20,000	20,000	-	-	-	211,574	251,574
Transfers to Other Funds	(231,574)	(20,000)	-	-	-	-	(251,574)
Transfers from Component Units	-	-	-	-	-	-	-
Transfers to Component Units	-	-	-	-	-	-	-
Repayments of Advance to COCRF	-	-	-	-	-	-	-
Total Other Financing Sources (Uses), Net	(211,574)	-	-	-	-	211,574	-
Net Change in Fund Balances	343,352	136,979	(5,306)	(1,908,679)	32,627	-	(1,401,027)
Fund Balances, Beginning of Year	2,554,491	905,986	1,349,825	8,117,365	2,361,465	293	15,289,425
Fund Balances, End of Year	\$ 2,897,843	\$ 1,042,965	\$ 1,344,519	\$ 6,208,686	\$ 2,394,092	\$ 293	\$ 13,888,398

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the Year Ended December 31, 2017

Statement F

Net Change in Fund Balances - Total Governmental Funds \$ (1,401,027)

Amounts reported for governmental activities in the statement of activities are different because:

During the year, JEDCO took possession of capital assets that were either paid for or provided by other governmental entities. The value of these capital assets are recognized as capital grants and contributions in the statement of activities and is not recorded as income in the fund financial statements. 420,000

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which bond repayments exceeded proceeds. 121,000

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays - Paid by JEDCO	\$ 20,436	
Depreciation Expense	(428,280)	(407,844)

Accrual of compensated absences increases long-term liabilities in the statement of net position, but is not recognized as an expenditure in the governmental funds until paid. (7,454)

Change in Net Position of Governmental Activities **\$ (1,275,325)**

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2017

Statement G

	HUD Revolving Loan Agency Fund
<hr/>	
Assets	
Cash and Cash Equivalents	\$ 16,184
Notes Receivable	<u>5,256</u>
Total Assets	<u><u>\$ 21,440</u></u>
Liabilities	
Due to Jefferson Parish Department of Community Development	<u>\$ 21,440</u>
Total Liabilities	<u><u>\$ 21,440</u></u>

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

NOTES TO FINANCIAL STATEMENTS

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Introduction

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

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Governmental Funds

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

JEDCO reports these major governmental funds and fund types:

General Fund

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

Special Revenue Funds

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

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

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

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

Debt Service Fund

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Fiduciary Funds

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

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

Budgetary Accounting

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

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

Basis of Accounting - Accrual / Modified Accrual Method

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting - Accrual / Modified Accrual Method (Continued)

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

Cash, Cash Equivalents, and Investments

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for Uncollectible Receivables

An allowance for estimated uncollectible receivables is established when collectability of a loan or an account becomes doubtful. As of December 31, 2017, management has established an allowance of \$1,872,283 for estimated uncollectible notes receivable related to loans in the BRGL/LRCF Loan Fund.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation

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

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

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

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

Collection Items

In accordance with GASB 34, works of art owned by JEDCO are not capitalized since the items:

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

Compensated Absences

In the governmental funds, only that portion which is expected to be liquidated from expendable available financial resources is accrued at year-end. The remainder of the accrued liability which is applicable to governmental fund types is reported in the government-wide financial statements. The amount of accumulated annual leave at December 31, 2017 applicable to governmental fund types was \$72,308, none of which met the condition for accrual in the governmental fund types; hence, the entire amount is reported in the government-wide financial statements. In accordance with GASB authoritative guidance, no liability is recorded for accumulated sick pay benefits because such benefits can be used only for sick leave.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances

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

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

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

Income Taxes

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 2. Legal Compliance - Budget

Under state law, JEDCO is required to complete and submit a budget for its General and Special Revenue Funds to the governing authority of Jefferson Parish no later than fifteen days prior to the beginning of the fiscal year to which the budget applies. The total proposed expenditures may not exceed the total of estimated funds available at the fund level. Public participation in the budgetary process prior to adoption of the budget is required if the total proposed expenditures are \$500,000 or more. For 2017, JEDCO complied with these budget requirements.

Note 3. Cash, Cash Equivalents, and Investments

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that JEDCO's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2017, the carrying amount of JEDCO's deposits was \$3,029,167, of which \$16,184 is reported in the agency fund and \$3,012,983 is reported in the statement of net position.

At December 31, 2017, the bank balance of deposits was \$2,867,674, of which \$500,000 was covered by federal deposit insurance and \$2,367,674 was covered by collateral with a fair market value totaling \$2,550,667.

Investments

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

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

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

Investments (Continued)

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

- Credit Risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 43 days as of December 31, 2017.
- Foreign Currency Risk: Not applicable.

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

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

At December 31, 2017, the carrying amount of the LAMP investment was \$3,363,233.

Note 4. Notes Receivable

Revolving Loan Funds

JEDCO has notes receivable recorded in the EDA Revolving Loan Fund which are made to various businesses under the terms of the capitalization grant received from the Economic Development Administration. These notes total \$1,151,301, at December 31, 2017. The notes have various maturity dates and interest rates.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 4. Notes Receivable (Continued)

Revolving Loan Funds (Continued)

JEDCO has notes receivable recorded in the BRGL/LRCF Fund which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Economic Development. These notes total \$4,582,337, net of allowance, at December 31, 2017. The notes have various maturity dates and interest rates.

In the ILTAP Fund, JEDCO has notes receivable which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Community Development. These notes total \$1,901,759, at December 31, 2017. The notes have various maturity dates and interest rates.

Note 5. Capital Assets

Capital asset balances and current year activity for the fiscal year ended December 31, 2017, was as follows:

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
Land and Improvements	\$ 8,293,804	\$ 420,000	\$ -	\$ 8,713,804
Infrastructure	6,008,525	-	-	6,008,525
JEDCO Building	6,196,354	-	-	6,196,354
Conference Center Building	2,846,725	-	-	2,846,725
Conference Center Furniture and Equipment	164,310	-	-	164,310
Office Furniture and Equipment	469,990	20,436	-	490,426
Total	<u>23,979,708</u>	<u>440,436</u>	<u>-</u>	<u>24,420,144</u>
Less: Accumulated Depreciation	(2,965,394)	(428,280)	-	(3,393,674)
Total Capital Assets, Net	<u>\$ 21,014,314</u>	<u>\$ 12,156</u>	<u>\$ -</u>	<u>\$ 21,026,470</u>

Depreciation expense of \$428,280, for the year ended December 31, 2017, is presented on the government-wide statement of activities as follows:

Governmental Activities

Administrative	\$ 27,206
JEDCO Building	154,909
Conference Center	72,993
Technology Park Infrastructure	<u>173,172</u>
Total	<u>\$ 428,280</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 6. Operating Leases

Equipment Leases

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

Future minimum lease payments are as follows:

2018	\$	4,774
2019		4,774
2020		<u>4,264</u>
Total	\$	<u>13,812</u>

Note 7. Employment Agreement

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

Note 8. Escrow Deposits

JEDCO assists local businesses in obtaining loans from the Small Business Administration. JEDCO collects an application fee at the beginning of the loan process. These application fees are held in an account until the loan process is completed. All application fees are returned to the applicant even if the loan is not obtained. Escrow deposits totaled \$5,500, at December 31, 2017.

Note 9. Contributed Services

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

Note 10. Long-Term Debt

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 10. Long-Term Debt (Continued)

The following is a summary of the changes in long-term debt for the year ended December 31, 2017:

Type of Debt	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Revenue Bonds	\$ 2,243,000	\$ -	\$ (121,000)	\$ 2,122,000	\$ 126,000

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

December 31,	Principal	Interest
2018	\$ 126,000	\$ 85,449
2019	132,000	80,095
2020	137,000	74,513
2021	143,000	68,703
2022	149,000	62,644
2023-2027	841,000	213,329
2028-2032	594,000	37,641
Total	\$ 2,122,000	\$ 622,374

Note 11. Compensated Absences Payable

Changes in compensated absences payable for the year ended December 31, 2017, were as follows:

	Balance January 1, 2017	Additions	Payments and Adjustments	Balance December 31, 2017
Compensated Absences	\$ 64,854	\$ 74,648	\$ (67,194)	\$ 72,308

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 12. Interfund Transactions

Interfund transactions consist of interfund receivables/payables and transfers. Interfund receivables/payables at December 31, 2017, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 40,841	\$ 50
Jefferson Edge Fund	-	1,456
EDA Revolving Loan Fund	-	23,238
BRGL/LRCF Fund	50	10,808
ILTAP Fund	-	5,339
Total All Funds	\$ 40,891	\$ 40,891

Interfund transfers occurring during the fiscal year ended December 31, 2017, are as follows:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ 20,000	\$ 231,574
Jefferson Edge Fund	20,000	20,000
JEDCO Debt Service Fund	211,574	-
Total All Funds	\$ 251,574	\$ 251,574

Note 13. Pension Plan

JEDCO has elected to opt out of participation in the federal Social Security program. The 6.2% match that JEDCO would have contributed to the Social Security program is placed in a simplified employee pension (SEP) plan for each full-time employee. Eligible employees are required to establish SEP individual retirement accounts to which JEDCO's contributions are made. JEDCO's employees are subject only to Medicare portion of Social Security taxes. The amount contributed by JEDCO is 6.2% of the employee's total compensation. JEDCO's total contribution under this plan for 2017 was \$68,089 based on a covered payroll of \$1,098,203. JEDCO's total current-year payroll for all employees was \$1,142,472.

JEDCO also participates in a company/internal retirement plan in which all full time employees are eligible to participate. Under the terms of the plan, JEDCO contributes 6% of the employee's annual salary. Eligible employees are required to establish retirement accounts to which JEDCO's contributions are made. JEDCO's total contribution under this plan for 2017 was \$65,892 based on covered payroll of \$1,098,203.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

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

Durr Heavy Construction

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

During 2017, the company made a PILOT Rent payment to the Jefferson Parish Sheriff's Office, as tax collector of Jefferson Parish, totaling \$4,666, and the amount of ad valorem taxes that would have been recognized on this assessed value for 2017 totaled \$33,870. Additionally, as the business resides in the City of Harahan, taxes were due. The company made a PILOT Rent payment to City of Harahan totaling \$981. Ad valorem taxes that would have been recognized by the City of Harahan for 2017 totaled \$7,119.

Bella Ridge

On August 1, 2014, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with a private company, Cottonwood Creek Apartments, LLC, to issue taxable revenue bonds of up to \$70,000,000. The bonds are for the purpose of financing the acquisition, construction, and equipping of the Bella Ridge Project (the Project), a 528-unit apartment complex (separated into two phases), on behalf of a local company located in Jefferson Parish. As of December 31, 2017, no bonds have been issued for the Project.

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

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

Bella Ridge (Continued)

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

Based on calculations performed by the Jefferson Parish Assessor's Office, the assessed value of the Project (Phases I and II) was \$3,387,780 for 2017, and the amount of ad valorem taxes that would have been recognized on this assessed value for 2017, totaled \$384,174. The amount of PILOT Rent paid by the companies to JPSO during 2017, totaled \$192,087.

Through December 31, 2017, the total savings (the difference between the amount of ad valorem taxes that would have been incurred on the Project and the amount of PILOT Rent) amounted to \$380,448.

The companies are also required to pay an annual administrative rental fee of \$5,000 each for the duration of the Lease Agreements. The amount of administrative rental fee revenue recognized by JEDCO during 2017, totaled \$10,000.

Dyno Nobel

On December 1, 2014, JEDCO entered into a Lease Agreement and Agreement to Issue Bonds (the Lease Agreement) with a private company to issue taxable revenue bonds of up to \$850,000,000. The bonds are for the purpose of financing the acquisition, construction, and equipping of the Dyno Nobel Louisiana Ammonia, LLC Project (the Project), an ammonia manufacturing facility, on behalf of a local company located in Jefferson Parish. As of December 31, 2017, no bonds have been issued for the Project.

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

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

Dyno Nobel (Continued)

Future minimum PILOT Rent payments are as follows:

Year	Amount
2018	\$ 800,000
2019	800,000
2020	800,000
2021	800,000
2022	800,000
2023 - 2027	5,250,000
2028 - 2032	6,000,000
2033 - 2035	3,600,000
Total	\$ 18,850,000

The Lease Agreement also provides that the PILOT Rent payments presented in the previous table are to be increased proportionally based on the amount that the company's aggregate Project investment exceeds \$600,000,000. Until the project is fully completed and placed into service, the company is required to provide to JEDCO an aggregate investment amount for the Project. A PILOT Rent adjustment factor is calculated based on the ratio by which the aggregate investment amount of the Project exceeds \$600,000,000. Once the Project is fully completed and placed into service, the final adjustment factor that was calculated will be applied to all remaining PILOT Rent payments. For December 2017, the adjustment factor was calculated to be 1.35, and the amount of PILOT Rent paid to JPSO for 2017, totaled \$1,080,000.

The Project's assets were assessed by the Jefferson Parish Assessor's Office for the 2017 tax year. While there was no calculation of ad valorem taxes pertaining to the Project's assets as of December 31, 2016, the assessed value of the Project as of December 31, 2017, was \$122,107,880. The amount of ad valorem taxes that would have been recognized in 2017 in the absence of the Lease Agreement amounted to \$14,298,833.

The Lease Agreement also provides for Supplemental PILOT Rent for each year in which the Project's full-time payroll does not meet the minimum amounts established within the Lease Agreement. No amount of Supplemental PILOT Rent was required for 2017.

The company is also required to pay an annual administrative rental fee of \$113,600 for the duration of the Lease Agreement. The amount of administrative rental fee revenue recognized by JEDCO during 2017, totaled \$113,600.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 15. Changes in Assets and Liabilities of Agency Funds

The following summarizes the changes in the assets and liabilities of the agency funds during 2017:

	HUD Revolving Loan Fund			Balance December 31, 2017
	Balance January 1, 2017	Additions	Payments/ Write-Offs	
Assets				
Cash and Cash Equivalents	\$ 764,265	\$ 9,838	\$ (757,919)	\$ 16,184
Notes Receivable	13,663	-	(8,407)	5,256
Total Assets	\$ 777,928	\$ 9,838	\$ (766,326)	\$ 21,440
Liabilities				
Due to Jefferson Parish Department of Community Development				
Drawdowns	\$ 497,986	\$ -	\$ (476,546)	\$ 21,440
Net Income	279,942	-	(279,942)	-
Total Liabilities	\$ 777,928	\$ -	\$ (756,488)	\$ 21,440

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

Note 16. Intentions to Give

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

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2017

Schedule 1

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental				
Share of Jefferson Parish				
Occupational Licenses	\$ 2,020,000	\$ 2,020,000	\$ 2,020,000	\$ -
CEA Revenue	111,000	92,000	208,330	116,330
Charges for Services				
Loan Processing and Servicing	359,800	337,720	389,773	52,053
Business Innovation Center Revenue	90,840	-	33,290	33,290
Conference Center	26,000	9,200	8,538	(662)
Interest and Investment Earnings	5,000	22,000	28,602	6,602
Miscellaneous	10,000	199,480	44,498	(154,982)
Donations	-	-	20,000	20,000
Total Revenues	2,622,640	2,680,400	2,753,031	72,631
Expenditures				
Current				
Administrative	1,379,560	1,359,900	1,142,709	217,191
Economic Development Services	289,800	258,100	255,005	3,095
Marketing	193,750	244,850	233,987	10,863
Financing	245,300	245,900	232,412	13,488
Business Innovation Center	80,390	124,789	122,217	2,572
Tech Park	105,850	68,550	67,705	845
Strategic Initiative	-	66,600	53,535	13,065
Conference Center	56,000	49,271	45,974	3,297
Kenner Program	75,000	25,000	24,125	875
Capital Outlay	-	-	20,436	(20,436)
Total Expenditures	2,425,650	2,442,960	2,198,105	244,855
Excess of Revenues Over Expenditures	196,990	237,440	554,926	317,486
Other Financing Sources (Uses)				
Transfers from Other Funds	20,000	-	20,000	20,000
Transfers to Other Funds	-	-	(231,574)	(231,574)
Total Other Financing Sources (Uses)	20,000	-	(211,574)	(211,574)
Net Change in Fund Balance	216,990	237,440	343,352	105,912
Fund Balance, Beginning of Year	2,554,491	2,554,491	2,554,491	-
Fund Balance, End of Year	\$ 2,771,481	\$ 2,791,931	\$ 2,897,843	\$ 105,912

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 Jefferson Edge Fund
 For the Year Ended December 31, 2017

Schedule 2

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest and Investment Earnings	\$ 800	\$ 7,100	\$ 7,932	\$ 832
Donations	250,000	217,500	217,500	-
Total Revenues	250,800	224,600	225,432	832
Expenditures				
Current				
Marketing	-	9,500	9,493	7
Technology Development	135,000	45,000	44,910	90
Administrative	53,300	34,000	34,050	(50)
Total Expenditures	188,300	88,500	88,453	47
Excess of Revenues Over Expenditures	62,500	136,100	136,979	879
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	20,000	20,000
Transfers to Other Funds	(20,000)	-	(20,000)	(20,000)
Total Other Financing Sources (Uses)	(20,000)	-	-	-
Net Change in Fund Balance	42,500	136,100	136,979	879
Fund Balance, Beginning of Year	905,986	905,986	905,986	-
Fund Balance, End of Year	\$ 948,486	\$ 1,042,086	\$ 1,042,965	\$ 879

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 EDA Revolving Loan Fund
 For the Year Ended December 31, 2017

Schedule 3

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 26,500	\$ 34,050	\$ 36,624	\$ 2,574
Total Revenues	<u>26,500</u>	<u>34,050</u>	<u>36,624</u>	<u>2,574</u>
Expenditures				
Current				
Administrative	20,000	45,000	41,930	3,070
Total Expenditures	<u>20,000</u>	<u>45,000</u>	<u>41,930</u>	<u>3,070</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,500</u>	<u>(10,950)</u>	<u>(5,306)</u>	<u>5,644</u>
Net Change in Fund Balance	6,500	(10,950)	(5,306)	5,644
Fund Balance, Beginning of Year	<u>1,349,825</u>	<u>1,349,825</u>	<u>1,349,825</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,356,325</u>	<u>\$ 1,338,875</u>	<u>\$ 1,344,519</u>	<u>\$ 5,644</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 Business Recovery Grant and Loan/
 Louisiana Recovery Capital Fund
 For the Year Ended December 31, 2017

Schedule 4

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 164,000	\$ 176,800	\$ 177,484	\$ 684
Total Revenues	164,000	176,800	177,484	684
Expenditures				
Current				
Administrative	95,000	2,084,725	2,086,163	(1,438)
Total Expenditures	95,000	2,084,725	2,086,163	(1,438)
Excess (Deficiency) of Revenues Over Expenditures	69,000	(1,907,925)	(1,908,679)	(754)
Net Change in Fund Balance	69,000	(1,907,925)	(1,908,679)	(754)
Fund Balance, Beginning of Year	8,117,365	8,117,365	8,117,365	-
Fund Balance, End of Year	\$ 8,186,365	\$ 6,209,440	\$ 6,208,686	\$ (754)

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
ILTAP Fund
For the Year Ended December 31, 2017

Schedule 5

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 12,400	\$ 42,600	\$ 47,613	\$ 5,013
Total Revenues	12,400	42,600	47,613	5,013
Expenditures				
Current				
Administrative	10,000	18,000	14,986	3,014
Total Expenditures	10,000	18,000	14,986	3,014
Excess of Revenues Over Expenditures	2,400	24,600	32,627	8,027
Net Change in Fund Balance	2,400	24,600	32,627	8,027
Fund Balance, Beginning of Year	2,361,465	2,361,465	2,361,465	-
Fund Balance, End of Year	\$ 2,363,865	\$ 2,386,065	\$ 2,394,092	\$ 8,027

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Financial Position
JEDCO Development Corporation
December 31, 2017

Schedule 6

Assets	
Cash and Cash Equivalents	<u>\$ 25,574</u>
Total Assets	<u><u>\$ 25,574</u></u>
Liabilities and Net Assets	
Liabilities	
Escrow Deposits	\$ 5,500
Due to Other Governments	<u>20,073</u>
Total Liabilities	25,573
Net Assets	
Unrestricted	<u>1</u>
Total Liabilities and Net Assets	<u><u>\$ 25,574</u></u>

See independent's auditor's report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Activities and Change in Net Assets
JEDCO Development Corporation
For the Year Ended December 31, 2017

Schedule 7

Revenues	
Fee Payments	\$ 61,523
Analysis Fee Income	<u>318</u>
Total Revenues	<u>61,841</u>
Expenses	
Administrative	<u>61,841</u>
Total Expenses	<u>61,841</u>
Change in Net Assets	-
Net Assets, Beginning of Year	<u>1</u>
Net Assets, End of Year	<u><u>\$ 1</u></u>

See independent's auditor's report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017

Schedule 8

Agency Head
Jerry Bologna, President & CEO

Purpose	Amount
Salary	\$ 190,000
Benefits - Insurance	\$ 33,573
Benefits - Retirement	\$ 11,400
Other Benefits	\$ 25,460
Car Allowance	\$ 9,000
Vehicle Provided by Government	\$ -
Per Diem	\$ -
Reimbursements	\$ -
Travel	\$ 183
Registration Fees	\$ -
Conference Travel	\$ 16,887
Continuing Professional Education Fees	\$ 315
Housing	\$ -
Unvouchered Expenses	\$ -
Special Meals	\$ 398

See independent's auditor's report.

SINGLE AUDIT SECTION

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the fiduciary fund of the Jefferson Parish Economic Development Commission (JEDCO), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise JEDCO's basic financial statements, and have issued our report thereon dated May 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEDCO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JEDCO's internal control. Accordingly, we do not express an opinion on the effectiveness of JEDCO's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, LA
May 14, 2018

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Jefferson Parish Economic Development Commission's (JEDCO), a component unit of Jefferson Parish, Louisiana, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of JEDCO's major federal programs for the year ended December 31, 2017. JEDCO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, JEDCO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

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

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

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



A Professional Accounting Corporation

Metairie, LA
May 14, 2018

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Loans Disbursed	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Passed through the Parish of Jefferson:				
Community Development Block Grant Loans	14.228	72-0850276	\$ 693,575	\$ 809,999
U.S. Department of Commerce				
Direct Program:				
Special Economic Development and Domestic Assistance Program Long-Term Economic Deterioration (LTED) Revolving Loans	11.307	08-39-02686	673,700	715,629
Total			<u>\$ 1,367,275</u>	<u>\$ 1,525,628</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Note 2. Description of Grants

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

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

Community Development Block Grants Passed through the Parish of Jefferson

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

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

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

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

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

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

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2017

Note 3. Outstanding Loans

The value of loans outstanding is as follows at December 31, 2017:

BRGL/LRCF Loan Fund	\$ 4,582,337
ILTAP Loan Fund	1,901,759
EDA Revolving Loan	1,151,301
HUD Revolving Loan	<u>5,256</u>
Total	<u>\$ 7,640,653</u>

Note 4. Indirect Cost Rate

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Part I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 4. Internal control over major programs: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major programs? | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No |
| 7. Identification of major programs: | |
| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
| 11.307 | Special Economic Development and Domestic Assistance Program Long-Term Economic Deterioration (LTED) Revolving Loans |
| 8. Dollar threshold used to distinguish between type A and type B programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

Part II - Financial Statement Findings

None.

Part III - Findings and Questioned Costs for Federal Awards

None.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Prior Audit Findings
For the Year Ended December 31, 2016

Part II - Financial Statement Findings

None.

Part III - Findings and Questioned Costs for Federal Awards

None.

**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

Jefferson Parish, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2017 - December 31, 2017



AGREED-UPON PROCEDURES REPORT
Jefferson Parish Economic Development Commission

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2017 - December 31, 2017

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

We have performed the procedures enumerated below, which were agreed to by Jefferson Parish Economic Development Commission (JEDCO) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. JEDCO's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of JEDCO address all of the functions listed.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: JEDCO's Board met at least monthly. The minutes reference budget-to-actual comparisons on the General Fund and for other major funds. For at least one meeting during the fiscal period, the minutes referenced approval of a contract and disbursements.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: We selected four bank accounts and obtained bank statements and reconciliations. All criteria were met without exception.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:
 - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We selected one cash collection location for testing using the highest (dollar) month of cash collections from the bank statements. Each person responsible for collecting cash is bonded. Duties are segregated per the policy, and JEDCO has a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. While performing procedure 6(c)(1), we noted that of the 59 deposits tested, 46 deposits tested were not deposited within one day of collection. For the 46 deposits not deposited within one day of collection, the number of days from receipt to deposit ranged from 2 to 18 days.

- 7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: We obtained written policy from management and noted all criteria above were met without exception.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained from management a disbursement listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; (3) and an approved invoice.

Results: We obtained supporting documentation for the 25 selected disbursements. For 16 of the disbursements selected, the criteria in procedures 9(a), 9(b), and 9(c) were not applicable due to the type of disbursement, such as loans disbursed and transfers of funds. The criteria in steps 9(a), 9(b), and 9(c) were present for the remaining nine disbursements tested.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: We obtained written policies from management and noted the persons responsible for processing payments are not prohibited from adding vendors to JEDCO's purchasing/disbursement system.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The employees with signatory authority or who make the final authorization for disbursements do not have responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

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

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: We obtained from management a listing of all active credit cards, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete. There were no bank debit cards, fuel cards, and P-cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: For 15(a), we noted monthly statements and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder for all card statements. For 15(b), the credit card statement tested was not assessed finance charges and/or late fees.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: For the credit card selected for testing in procedure #15 above, we obtained supporting documentation for all transactions. No exceptions were identified as a result of these procedures.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained from management the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: We obtained JEDCO's written policies related to travel and expense reimbursement, and noted no amounts that exceeded GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose. (Note: For meal charges, there should also be documentation of the individuals participating.)
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: For the three persons selected for testing, all of the reimbursements followed JEDCO policy and met the criteria above without exception.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger, and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: For the three contract vendors tested, we obtained the listing of payments for the period. Each vendor selected for testing had only one contract each to perform services for JEDCO. For these three contracts, a formal written contract supports the arrangement and the amounts paid. The three contracts were not subject to Louisiana Public Bid Law, but JEDCO did prepare requests for proposal for the services and performed a bid process in accordance with their internal policy. None of the three contracts had amendments. For the largest payment from each of the three contracts, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the three contracts was properly approved by the Board according to JEDCO's policy

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We obtained a listing of employees with their related salaries, and we obtained management's representation that the listing is complete. For the five employees selected, payments were made in strict accordance with the terms and conditions of the pay rate structure. Salary changes made during the fiscal period for the five employees selected were approved in writing and in accordance with written policy.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We obtained attendance and leave records, and randomly selected two pay periods in which leave has been taken by at least one employee. For procedure 23(a), all employees selected documented their daily attendance and leave in a paper system maintained by JEDCO. For procedure 23(b), attendance and leave for employees were approved electronically or in writing. For procedure 23(c), we noted JEDCO maintained paper leave records on those employees.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. The only termination payment made during the fiscal period was made in strict accordance with policy and was approved by management.

- 25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period. The employee and employer portions of payroll taxes and retirement contributions as well as the required reporting forms were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

- 26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: For the five employees selected, JEDCO maintained documentation to demonstrate that required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: We inquired of management whether any alleged ethics violations were reported to JEDCO during the fiscal period. Management has received no such allegations.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: This procedure is not applicable to JEDCO as no debt was issued during the period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: JEDCO made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: This procedure is not applicable to JEDCO as there are no tax millages related to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We inquired of management whether JEDCO had any misappropriations of public funds or assets. Management reported JEDCO has not had any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by L.R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: JEDCO has posted on its premises and website the notice required by L.R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

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

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



A Professional Accounting Corporation

Metairie, LA
May 14, 2018



JEDCO

Jefferson Parish Economic Development Commission

Management Response

May 12, 2018

LaPorte APAC
111 Veterans Blvd., Suite 600
Metairie, LA 70005

The Jefferson Parish Economic Development and Port District (JEDCO) has received a draft copy of the Agreed-Upon Procedures Report for the period of January 1, 2017 through December 31, 2017. We appreciate the opportunity to respond to results outlined in the report.

COLLECTIONS-6 (a through c)

Results: We selected one cash collection location for testing using the highest (dollar) month of cash collections from the bank statements. Each person responsible for collecting cash is bonded. Duties are segregated per the policy, and JEDCO has a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. While performing procedure 6(c)(1), we noted that of the 59 deposits tested, 46 deposits tested were not deposited within one day of collection. For the 46 deposits not deposited within one day of collection, the number of days from receipt to deposit ranged from 2 to 18 days.

Response: Per our adopted policies and procedures, JEDCO has practiced weekly deposits where reasonably possible. Management is working to implement remote deposit capabilities and has communicated to staff the importance of making daily deposits.

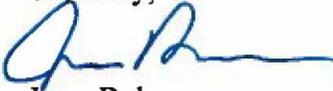
DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/FUEL CARD/P-CARD PURCHASES OR PAYMENTS)-10

Results: We obtained written policies from management and noted the persons responsible for processing payments are not prohibited from adding vendors to JEDCO's purchasing/disbursement system.

Response: JEDCO limits access to the vendor information to only two individuals. However, due to the size of the accounting staff, these two individuals also process payments. JEDCO has a significant compensating control in place in that all disbursements are reviewed by the President and CEO and/or an officer of the board. Additionally, JEDCO's management is working to identify a non-accounting staff member to update and maintain its vendor information.

We appreciate the opportunity to respond to the testing results and will continue to adjust and augment our internal controls, policies and procedures as needed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry Bologna". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jerry Bologna
President and CEO