

**JEFFERSON PARISH ECONOMIC
DEVELOPMENT COMMISSION**

Jefferson Parish, Louisiana

Audit of Financial Statements
December 31, 2013

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Independent Auditor's Report

To the Board of Commissioners
Jefferson Parish Economic Development Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Jefferson Parish Economic Development Commission (JEDCO), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2013, 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 funds of JEDCO as of and for the year ended December 31, 2013 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.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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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 unit, each major fund, and the aggregate remaining fund information of JEDCO as of December 31, 2013, and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise JEDCO's basic financial statements. The schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2014, on our consideration of the Jefferson Parish Economic Development Commission'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 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 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 handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
April 4, 2014

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, 2013

The Management's Discussion and Analysis (MD&A) of the 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, 2013. The intent of MD&A is to review JEDCO's overall financial performance and to assist readers in assessing the financial position. Therefore, readers should read 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, 2013 by \$26,050,604 (*net position*). Of this amount, \$2,719,383 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- JEDCO's total net position increased by \$4,709,252. The increase is primarily due to an increase in capital grants during the year ended December 31, 2013 of approximately \$3,233,000, and an increase in intergovernmental revenue of \$300,000, offset by an overall increase in expenses of approximately \$365,000. The increase in capital grants was primarily due to the recognition of the cost of the JEDCO conference center, the donation of gravel and dirt for fill at the Churchill Technology and Business Park, and the donation of fine art.
- JEDCO's total assets increased by \$4,571,698 during the current year. The increase is primarily related to the transfer of the JEDCO conference center from the Jefferson Parish Public School System (JPPSS), the donation of gravel and dirt for fill at the Churchill Technology and Business Park, and the donation of fine art during the year ended December 31, 2013. In addition, JEDCO's total cash and investments increased by approximately \$1,608,000.
- JEDCO's total liabilities decreased by \$137,554 during the current year. The decrease was primarily due to a decrease in accounts payable of approximately \$122,000, primarily related to BRGL/LRCF Fund.
- During the year ended December 31, 2009, JEDCO obtained financing of \$4 million through its component unit FORJ to fund construction of the Administration Building in the Churchill Technology and Business Park. During the year ended December 31, 2010, JEDCO received an additional \$2 million in CDBG funding from Jefferson Parish to fund the incubator facility. At December 31, 2013 included in capital assets on FORJ relating to the administrative building and incubator facility is \$5,719,616. The building was put in service in April 2011 and has a total cost of \$6,141,870.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2013

Overview of the Financial Statements

This discussion and analysis are 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.

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 event giving rise to the change 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 Financing the Future program, Economic Development 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, 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 unit FORJ.

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, 2013

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, the BRGL/LRCF Fund, the JEDCO Building Fund, and ILTAP Fund, all of which are considered to be major Funds. Data from the other two governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

JEDCO adopts an annual appropriated budget for its general fund and all special revenues funds. Budgetary comparison statements have been provided for all major funds in the required supplementary information.

The basic governmental 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 statements can be found on page 24 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 26 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 statements for each major fund. This information was discussed earlier in the governmental fund section. The required supplementary information begins on page 44 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2013

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 \$26,050,604 at December 31, 2013.

Statements of Net Position

	2013	2012
Assets		
Current and Other Assets	\$ 7,275,267	\$ 5,697,616
Notes Receivable	7,491,747	7,838,151
Capital Assets	11,675,791	8,335,340
Total Assets	26,442,805	21,871,107
Liabilities		
Other Liabilities	326,316	460,658
Long-Term Liabilities Outstanding	65,885	69,097
Total Liabilities	392,201	529,755
Net Position		
Net Investment in Capital Assets	11,675,791	8,335,339
Restricted		
Prepaid Expenses	22,145	21,090
EDA Revolving Loan Fund	1,315,829	1,213,482
Jefferson Edge	820,698	802,193
BRGL /LRCF Funds	7,909,865	7,830,451
JEDCO Building Fund	785	99,819
ILTAP Fund	1,586,108	564,867
Unrestricted	2,719,383	2,474,111
Total Net Position	\$ 26,050,604	\$ 21,341,352

The Net Investment in Capital Assets represents JEDCO's net book value of its fixed 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* (\$2,719,383) may be used to meet the government's ongoing obligations to citizens and creditors.

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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2013

The government's net position has increased by \$4,709,252 during the current year. The increase is primarily due to an increase in capital grants during the year ended December 31, 2013 of approximately \$3,233,000, and an increase in intergovernmental revenue of \$300,000, offset by an overall increase in expenses of approximately \$365,000 related to the Tech Park and Conference Center expenses, and administrative and marketing expenses.

Governmental activities. Governmental activities increased JEDCO's net position by \$4,709,252. Key elements of this increase are as summarized on the following page.

Charges for services increased by \$74,656 in the current year primarily due to loan fees earned upon issuance of the loan or grant from the EDA Revolving Loan Fund during the year ended December 31, 2013.

Operating grants and contributions increased by \$170,795 primarily due to an increase in federal funds related to the ILTAP program.

Capital grants and contributions increased by \$3,232,989 in the current year due to the transfer of the JEDCO conference center from JPPSS, the donation of gravel and dirt for fill at the Churchill Technology and Business Park, and the donation of fine art during the year ended December 31, 2013.

The largest single revenue source of revenue for the General Fund continues to be JEDCO's share of occupational licenses from Jefferson Parish. The occupational license revenue recognized in the General Fund increased \$26,766 from the prior year due to the increase in the consumer price index.

In total, expenses increased by \$365,318 from the prior year. The increase is primarily due to increases in administrative expenses of \$212,448, Tech Park expenses of \$193,228, Conference Center expenses of \$29,414, and marketing expense of \$26,758. These increases are offset by a decrease in incubator expenses of \$142,959.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

**Management's Discussion and Analysis
For the Year Ended December 31, 2013**

Statements of Activities

	2013	2012
Revenues		
Program Revenues		
Charges for Services	\$ 295,019	\$ 220,363
Operating Grants and Contributions	1,328,224	1,157,429
Capital Grants and Contributions	3,990,339	757,350
General Revenues		
Share of Jefferson Parish Occupational Licenses	1,601,207	1,654,441
Interest and Investment Earnings	305,819	283,747
Intergovernmental Agreement Revenue	300,000	-
Miscellaneous	12,272	168,193
Total Revenues	7,832,880	4,241,523
Expenses		
Administrative	2,048,612	1,836,164
Economic Development Services	366,678	364,243
Enterprise Center West	25,376	14,028
Incubator CDBG	-	142,959
Financing the Future	234,435	217,437
Jefferson Edge	85,440	69,792
Tech Park	193,228	-
Conference Center	29,414	-
Marketing	140,445	113,687
Total Expenses	3,123,628	2,758,310
Change in Net Position	4,709,252	1,483,213
Net Position, Beginning of Year	21,341,352	19,858,139
Net Position, End of Year	\$ 26,050,604	\$ 21,341,352

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2013

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, *unreserved 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 \$13,526,709, an increase of \$1,420,809 in comparison with the prior year. Of this balance, \$1,569,999 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 \$1,893,424, of which \$1,569,999 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 75 percent of total General Fund expenditures. The General Fund's fund balance increased by \$298,336 during the current year.

The Jefferson Edge fund has a total fund balance of \$820,698 of which \$820,248 is restricted for use based on the donors' intent. The net increase in the fund balance during the current year was \$18,505.

The EDA Revolving Loan Fund has a total fund balance of \$1,315,829, of which \$1,197,272 is nonspendable since it is not expected to be available until the year ended December 31, 2014. The net increase in the fund balance during the current year was \$102,347, primarily related interest income earned in excess of administrative expenses.

The BRGL/LRCF Fund has a total fund balance of \$7,909,865, of which \$6,574,434 is nonspendable for use since it is not expected to be available until the year ended December 31, 2014. The net increase in fund balance during the current year was \$79,414, primarily related to interest income earned in excess of administrative expenses.

The ILTAP Fund has a total fund balance of \$1,586,108, of which \$1,399,530 is nonspendable for use since it is not expected to be available until the year ended December 31, 2014. The net increase in fund balance during the current year was \$1,021,241, primarily related to the new funds received for the program.

The JEDCO Building fund has a total fund balance of \$785, all of which is committed. This fund was previously called the JEDCO West Proceeds Fund, which was created in 2003 by a transfer from general fund of sales proceeds from a building sold in 2002. The fund has been earmarked by the Board of Commissioners for furniture and equipment expenditures of JEDCO's administrative offices/technology incubator in the Churchill Technology and Business Park. Additionally funds are to be used to reimburse JEDCO for building expenditures and to pay debt service.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2013

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 revenue or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues is 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 \$12,128 and actual expenditures were less than final projections by \$89,142.

A comparison of actual results as of December 31, 2013 and the final budget for the General Fund are as follows:

	Final Budget	Actual Amounts	Difference
Total Revenues	\$ 2,216,617	\$ 2,228,745	\$ 12,128
Total Expenditures	2,193,930	2,104,788	89,142
Total Net Change	\$ 22,687	\$ 123,957	\$ (101,270)

Capital Assets, Depreciation and Debt Administration

Capital Assets

At December 31, 2013, JEDCO had approximately \$11,676,000 invested in capital assets. This amount is net of accumulated depreciation to date. The net book value of capital assets at December 31, 2013 is as follows:

Land	\$ 3,535,970
Infrastructure	5,102,981
Conference Center - Building	2,846,725
Conference Center - Furniture and Equipment	100,961
Office Furniture	89,154
Total	\$ 11,675,791

Depreciation for the year ended December 31, 2013 was \$273,181. Additional information on JEDCO's capital assets can be found in Note 5 on page 34.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Management's Discussion and Analysis For the Year Ended December 31, 2013

Long-Term Obligations

JEDCO's long-term obligations at December 31, 2013 are comprised of:

Compensated Absences Payable	\$ 57,135
Escrow Deposits	<u>8,750</u>
Total	<u>\$ 65,885</u>

Economic Factors and Next Year's Budget

JEDCO anticipates an increase of 1.6% in its share of occupational licenses received from Jefferson Parish for 2014.

Several factors will influence whether or not JEDCO will experience an increase or decrease of revenues (i.e., occupancy of tenants in the new incubator facility at the Churchill Park location and investment tools). JEDCO anticipates entering into a cooperative endeavor agreement with the City of Gretna for \$25,000 to assist the City with economic development. Currently, JEDCO is in negotiations with Delgado Community College for the development of a future campus which may generate revenues for JEDCO.

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, janitorial utilities, and security and building supplies.

Revenues and expenses allocated for the Jefferson Edge Project are project oriented and are reflected as such. Planned infrastructure construction spending in the Churchill Technology and Business Park was delayed in 2006 and 2007 due to Hurricane Katrina, but began during 2008. JEDCO signed a cooperative endeavor agreement with Jefferson Parish which provides Parish reimbursement for approximately \$2 million of construction related expenditures for the Incubator building. These expenses are expected to continue into 2014.

Revenues and expenses allocated for the Conference Center are project oriented. The Conference Center construction began in December 2011, and construction was essentially completed in 2013.

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 show 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, 2013

Statement A

	Governmental Activities	Discretely Presented Component Unit	Total
Assets			
Cash and Cash Equivalents	\$ 4,815,923	\$ 41,220	\$ 4,857,143
Investments	2,370,412	-	2,370,412
Receivables:			
Accounts	100	-	100
Notes	6,586,508	-	6,586,508
Due from JEDCO	-	284,754	284,754
Due from Other Governments	66,687	-	66,687
Prepaid Expenses	22,145	26,264	48,409
Note Receivable and Accrued Interest	905,239	-	905,239
Capital Assets, Net			
Land	3,535,970	-	3,535,970
Infrastructure Assets, Net	5,102,981	-	5,102,981
Office Equipment, Net	89,154	-	89,154
Conference Center Furniture and Equipment, Net	100,961	-	100,961
Conference Center Building, Net	2,846,725	-	2,846,725
Building, Net	-	5,719,616	5,719,616
Total Assets	26,442,805	6,071,854	32,514,659
Liabilities			
Accounts Payable	41,562	109,400	150,962
Due to FORJ	284,754	-	284,754
Escrow Deposits	8,750	-	8,750
Compensated Absences Payable, Long-Term	57,135	-	57,135
Long-Term Debt	-	3,821,875	3,821,875
Total Liabilities	392,201	3,931,275	4,323,476
Net Position			
Net Investment in Capital Assets	11,675,791	1,897,741	13,573,532
Restricted for:			
Prepaid Expenses	22,145	26,264	48,409
EDA Revolving Loan Fund	1,315,829	-	1,315,829
Jefferson Edge	820,698	-	820,698
BRGL/LRCF Funds	7,909,865	-	7,909,865
JEDCO Building Fund	785	-	785
ILTAP Fund	1,586,108	-	1,586,108
Unrestricted Net Position	2,719,383	216,574	2,935,957
Total Net Position	\$ 26,050,604	\$ 2,140,579	\$ 28,191,183

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, 2013

Statement B

Functions / Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	JEDCO Presented Component Unit (FORJ)	Total
Governmental Activities						
Administrative	\$ 2,048,612	\$ 277,943	\$ 1,068,225	\$ 3,990,339	\$ 3,287,895	\$ 3,287,895
Economic Development Services	366,678	2,026	74,749	-	(289,903)	(289,903)
Enterprise Center West	25,376	-	-	-	(25,376)	(25,376)
Incubator CDBG	-	-	6,750	-	6,750	6,750
Financing the Future	234,435	15,050	-	-	(219,385)	(219,385)
Jefferson Edge	85,440	-	178,500	-	93,060	93,060
Tech Park	193,228	-	-	-	(193,228)	(193,228)
Conference Center	29,414	-	-	-	(29,414)	(29,414)
Marketing	140,445	-	-	-	(140,445)	(140,445)
Total Governmental Activities	3,123,628	295,019	1,328,224	3,990,339	2,489,954	2,489,954
Discretely Presented Component Unit						
FORJ	262,688	-	-	-	-	(262,688)
Total	\$ 3,386,316	\$ 295,019	\$ 1,328,224	\$ 3,990,339	2,489,954	2,227,266
General Revenues						
Share of Jefferson Parish Occupational Licenses					1,601,207	1,601,207
Interest and Investment Earnings					305,819	305,819
IGA Revenue					300,000	300,000
Lease Income					12,000	178,916
Miscellaneous					272	272
Total General Revenues					2,219,298	2,386,214
Change in Net Position					4,709,252	4,613,480
Net Position, Beginning of Year					21,341,352	23,577,703
Net Position, End of Year					\$ 26,050,604	\$ 28,191,183

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, 2013

Statement C

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL/LRCF Fund	ILTAP Fund	JEDCO Building Fund	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 121,121	\$ 223,623	\$ 687,870	\$ 3,389,422	\$ 170,255	\$ 223,632	\$ 4,815,923
Investments	1,769,490	600,922	-	-	-	-	2,370,412
Receivables	100	-	-	-	-	-	100
Accounts	-	-	636,029	4,534,363	1,416,116	-	6,586,508
Notes	-	-	-	-	-	-	17,154
Due from Other Funds	17,154	-	-	-	-	509	66,687
Due from Other Governments	66,178	-	-	-	-	-	22,145
Prepaid Expenses	21,695	450	-	-	-	-	-
Total Assets	\$ 1,995,738	\$ 824,995	\$ 1,323,899	\$ 7,923,785	\$ 1,586,880	\$ 223,632	\$ 13,878,929
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 31,657	\$ 3,105	\$ -	\$ 6,800	\$ -	\$ -	\$ 41,562
Due to Other Funds	-	1,192	8,070	7,120	772	-	17,154
Due to FORJ	61,907	-	-	-	-	222,847	284,754
Escrow Deposits	8,750	-	-	-	-	-	8,750
Total Liabilities	102,314	4,297	8,070	13,920	772	222,847	352,220
Fund Balances							
Nonspendable	21,695	450	1,197,272	6,574,434	1,399,530	-	9,193,381
Restricted	-	820,248	118,557	1,335,431	186,578	-	2,460,814
Committed	177,770	-	-	-	-	785	178,555
Assigned	123,960	-	-	-	-	-	123,960
Unassigned	1,569,999	-	-	-	-	-	1,569,999
Total Fund Balances	1,893,424	820,698	1,315,829	7,909,865	1,586,108	785	13,526,709
Total Liabilities and Fund Balances	\$ 1,995,738	\$ 824,995	\$ 1,323,899	\$ 7,923,785	\$ 1,586,880	\$ 223,632	\$ 13,878,929

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, 2013

Statement D

Fund Balances - Total Governmental Funds		\$ 13,526,709
Cost of Capital Assets at December 31, 2013	12,855,515	
Less: Accumulated Depreciation as of December 31, 2013	<u>(1,179,724)</u>	11,675,791
Long-Term NMTC Note Receivable		
Note Receivable due from COCREF Investor 1, LLC	500,000	
Accrued Interest	<u>405,239</u>	905,239
Elimination of Interfund Assets and Liabilities		
Due from Other Funds	17,154	
Due to Other Funds	<u>(17,154)</u>	-
Long-Term Liabilities at December 31, 2013		
Compensated Absences Payable		<u>(57,135)</u>
Net Position of Governmental Activities		<u><u>\$ 26,050,604</u></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, 2013

Statement E

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL/LRCF Fund	IL/TAP Fund	JEDCO Building Fund	Total Governmental Funds
Revenues							
Intergovernmental							
Share of Jefferson Parish Occupational Licenses	\$ 1,601,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,601,207
Jefferson Parish Funds	99,749	-	-	-	-	-	99,749
Jefferson Parish Funds - Incubator CDBG Federal Funds	6,750	-	-	-	-	-	6,750
Charges for Services	-	-	87,535	-	1,043,225	-	1,043,225
Lease Income	207,484	-	-	-	-	-	295,019
Conference Center	12,000	-	-	-	-	-	12,000
IGA Revenue	206	-	-	-	-	-	206
Interest	300,000	-	-	-	-	-	300,000
Miscellaneous	1,283	445	30,075	158,682	10,461	345	201,291
Donations	66	-	-	-	-	-	66
	-	178,500	-	-	-	-	178,500
Total Revenues	2,228,745	178,945	117,610	158,682	1,053,686	345	3,738,013
Expenditures							
Administrative	1,222,022	-	15,263	79,268	32,445	-	1,348,998
Economic Development Services	211,179	-	-	-	-	-	211,179
Enterprise Center West/Incubator	25,376	-	-	-	-	-	25,376
Incubator CDBG	-	-	-	-	-	-	-
Financing the Future	234,435	-	-	-	-	-	234,435
Jefferson Edge	-	85,440	-	-	-	-	85,440
Marketing	140,445	-	-	-	-	-	140,445
Kenner Program	67,597	-	-	-	-	-	67,597
Tech Park	193,228	-	-	-	-	-	193,228
Conference Center	9,512	-	-	-	-	-	9,512
Capital Outlay Expense	994	-	-	-	-	-	994
Total Expenditures	2,104,788	85,440	15,263	79,268	32,445	-	2,317,204
Excess of Revenues Over Expenditures	123,957	93,505	102,347	79,414	1,021,241	345	1,420,809
Other Financing Sources (Uses)							
Transfers to Other Funds	(303,059)	(75,000)	-	-	-	(332,055)	(710,114)
Transfers from Other Funds	477,438	-	-	-	-	232,676	710,114
Total Other Financing Sources (Uses), Net	174,379	(75,000)	-	-	-	(99,379)	-
Net Change in Fund Balances	298,336	18,505	102,347	79,414	1,021,241	(99,034)	1,420,809
Fund Balances, Beginning of Year	1,595,088	802,193	1,213,482	7,830,451	564,867	99,819	12,105,900
Fund Balances, End of Year	\$ 1,893,424	\$ 820,698	\$ 1,315,829	\$ 7,909,865	\$ 1,586,108	\$ 785	\$ 13,526,709

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, 2013

Statement F

Net Change in Fund Balances - Total Governmental Funds \$ 1,420,809

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. 3,612,639

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 capital outlays exceeded depreciation in the current period.

Capital Outlays - paid by JEDCO	994	
Depreciation Expense	<u>(273,181)</u>	(272,187)

Proceeds from the sale of the Cotton Electric property is recognized in the fund financial statements as revenue for 2013. (120,000)

The Statement of Activities recognizes a gain or loss on the sale of assets. During 2013, the Cotton Electric property was sold for \$120,000. The land had been recorded in the Government-Wide financial statements at its estimated fair value of \$155,500. The sale resulted in a loss of \$35,500. (35,500)

Accrued interest on the note receivable is included in interest income and investment earnings on the Statement of Activities and is not recorded as income on the fund financial statements until the interest is collected. 104,529

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. (1,038)

Change in Net Position of Governmental Activities \$ 4,709,252

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

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

Agency Funds account for assets held by an entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

HUD Revolving Loan Fund

The HUD Revolving Loan 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.

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Statement of Fiduciary Funds Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

Statement H

	HUD Revolving Loan Agency Fund
Assets	
Cash and Cash Equivalents	\$ 693,597
Notes Receivable	<u>83,697</u>
Total Assets	<u>\$ 777,294</u>
Liabilities	
Due to Jefferson Parish Department of Community Development	<u>\$ 777,294</u>
Total Liabilities and Fund Balance	<u>\$ 777,294</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 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 unit 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 unit Forward Jefferson Corporation (a non-profit organization) (FORJ). 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 facilitating the New Market Tax Credit (NMTC) financing for the construction of the new JEDCO administrative building as described in Note 16. Separate financial statements for FORJ are not issued.

Government-Wide Financial Statements

JEDCO's basic financial statements include both government-wide (reporting the JEDCO as a whole) and fund financial statements (reporting the 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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

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 functions are also supported by general government revenues (occupational license revenue and investment earnings). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. 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 or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

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, reserves, 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 combined) for the determination of major funds. JEDCO electively added funds, as major funds, which either had debt outstanding or specific community focus.

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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Governmental Funds (Continued)

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 the State of Louisiana, 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 was created in 2007 to account 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 was created in 2012 to account 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.

Capital Project Fund - The JEDCO Building Fund was created to account for the funds reserved for furniture and equipment expenditures of JEDCO's administrative offices/technology incubator in the Churchill Technology and Business Park.

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

Fund Financial Statements - Fiduciary Funds

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

JEDCO's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Because by definition these assets are being held for the benefit of a third party (other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year. The level of budgetary control is at the fund/department 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, EDA Revolving Loan Fund, the BRGL/LRCF Loan Special Revenue Fund and the ILTAP Fund on a basis consistent with GAAP.

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 reservations 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 are recorded as revenue at that time.

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

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments

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

Use of Estimates

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

Promises to Give

Promises to give are future donations from businesses that are pledged over the next year for the Jefferson Edge program. Upon receipt, the promise to give will be recognized as revenue.

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, 2013, management had established no allowance for estimated uncollectible receivables and all accounts were considered collectible.

Deferred Revenue

Deferred revenues arise when resources are received by JEDCO before it has a legal claim to them. In subsequent periods, when JEDCO has legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

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 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 a 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

During the year ended December 31, 2013, JEDCO received a donation of works of art with an estimated fair value of \$377,700. JEDCO considers these works of art to be collections items, and are on display within its administrative building. In accordance with GASB 34, the value of the works of art have not been 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

The estimated fair value of the donated works of art have been recognized as an administrative expense and as a capital grant within the Statement of Activities.

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, 2013 applicable to governmental fund types was \$57,135 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 Balance

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

1. Non-spendable Fund Balance - amounts that cannot be spent either because they are in a non-spendable 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. Therefore, amounts must be reported as committed.
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. JEDCO also considers: committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

Income Taxes

FORJ is exempt from Federal income tax as an organization described in Section 501(c)(3). FORJ's tax filings are subject to audit by the Internal Revenue Service. FORJ's open audit periods are for the years ended December 31, 2010 through December 2012.

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 \$250,000 or more.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments

JEDCO's cash, cash equivalents, and investments consist primarily of demand deposits and certificates of deposits with financial institutions.

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, 2013, the carrying amount of JEDCO's deposits was \$5,509,520 of which \$693,597 is reported in the agency funds and \$4,815,923 is reported in the Statement of Net Position. Money market funds included in the cash amount are \$587,392 at December 31, 2013. The bank balance of the deposits at December 31, 2013 was \$5,553,235. Of the bank balance, \$500,000 was covered by federal deposit insurance and the remaining balance of \$5,053,235 was covered by collateral with a fair market value totaling \$6,492,108 held by the pledging financial institution's agent in JEDCO's name.

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 investments are restricted to securities issued guaranteed or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, instrumentalities, as well as repurchase agreements collateralized by those securities. LAMP may also invest in commercial paper of domestic United States Corporations rated A-1 or A-1+ by Standard & Poor's. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their funds. Certificates of deposit were covered by securities investor protection through JEDCO's broker. At December 31, 2013, the carrying amount of LAMP investment was \$2,370,412.

Note 4. Interfund Transactions

Interfund transactions consist of interfund receivables/payables and transfers. Interfund receivables/payables at December 31, 2013 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 17,154	\$ -
Jefferson Edge Fund	-	1,192
EDA Fund	-	8,070
BRGL/LRCF Fund	-	7,120
ILTAP Fund	-	772
Total All Funds	\$ 17,154	\$ 17,154

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 4. Interfund Transactions (Continued)

Interfund transfers occurring during the fiscal year ended December 31, 2013 are as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 477,438	\$ 303,059
Jefferson Edge Fund	-	75,000
JEDCO Building Fund	232,676	332,055
Total All Funds	\$ 710,114	\$ 710,114

Note 5. Capital Assets

The following presentation of capital asset balances and current year activity for the fiscal year ended December 31 was as follows:

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Land	\$ 2,899,047	\$ 636,923	\$ -	\$ 3,535,970
Infrastructure	5,963,169	-	-	5,963,169
Conference Center Building	-	2,846,725	-	2,846,725
Conference Center Furniture and Equipment	-	120,863	-	120,863
Office Equipment	379,666	9,122	-	388,788
Total	9,241,882	3,613,633	-	12,855,515
Less: Total Accumulated Depreciation	(906,543)	(273,181)	-	(1,179,724)
Total Capital Assets, Net	\$ 8,335,339	\$ 3,340,452	\$ -	\$ 11,675,791

Depreciation expense of \$273,181 for the year ended December 31, 2013 is presented on the Statement of Activities as follows:

Governmental Activities	
Administrative	\$ 81,242
Conference Center	19,902
Technology Park Infrastructure	172,037
Total	\$ 273,181

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 6. Pension Plan

JEDCO's employees are covered by its simplified employee pension (SEP) plan and are subject only to Medicare portion of social security taxes. JEDCO makes a contribution to an IRA account established for each full-time employee. The amount contributed by JEDCO is 6.2% of the employee's total compensation. JEDCO's total contribution under this plan for 2013 was \$60,869 based on a covered payroll of \$981,675. JEDCO's total current year payroll for all employees was \$1,002,734. JEDCO also participates in a retirement plan in which all full time employees are eligible to participate. The annual contribution by JEDCO is 6% of the employee's annual salary. JEDCO's total contribution under this plan for 2013 was \$58,904 based on covered payroll of \$981,675.

Note 7. Operating Leases

As part of the NMTC transaction as described in Note 16, JEDCO entered into the following lease agreements with the discretely presented component unit, FORJ. The operating lease for the new administration facility in the Churchill Technology and Business Park from February 2009 through February 2016 provides that JEDCO shall occupy the administration facility throughout the full term of the lease and shall operate its business attraction, business retention, financing, and incubator programs within the facility.

The lease requires monthly rental payments by JEDCO to FORJ in an amount to be determined which shall be based upon the amount of debt service required by FORJ to repay its Promissory Notes principal and interest obligations incurred in the financing and construction of the administration facility plus an amount equal to twenty-five percent of any principal and interest owed by FORJ pursuant to the Promissory Notes.

Estimated future minimum lease payments based on the interest rate on FORJ's debt service of LIBOR plus 2% (2.24835% at December 31, 2013) are as follows:

2014	\$ 162,841
2015	<u>423,294</u>
Total	<u>\$ 586,135</u>

JEDCO agrees to purchase the building from FORJ at the expiration of the lease term for a price equal to any outstanding principal and interest plus any and all costs owed by FORJ pursuant to the terms of the Promissory Notes. The purchase shall occur on the maturity date of the lease in February 2016. At December 31, 2013, the estimated purchase price pursuant to this provision is approximately \$3,468,000.

The operating lease term for the use of the land in the Churchill Technology and Business Park by FORJ to construct the new administration facility is February 2009 through February 2016 and requires rental payments from FORJ to JEDCO of \$1,000 per month.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 7. Operating Leases

Future minimum lease payments by FORJ to JEDCO are as follows:

2014	\$	12,000
2015		12,000
2016		<u>2,000</u>
Total	\$	<u>26,000</u>

Lease income totaling \$12,000 for the year ended December 31, 2013 is reflected in the General Fund.

Note 8. Compensated Absences Payable

Changes in compensated absences payable for the year ended December 31, 2013 were as follows:

	Balance January 1, 2013	Additions	Payments and Adjustments	Balance December 31, 2013
Compensated Absences	\$ 56,097	\$ 65,107	\$ 64,069	\$ 57,135

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

Note 9. Conduit Debt (Not Included in the Financial Statements)

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 corporation. 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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 9. Conduit Debt (Not Included in the Financial Statements) (Continued)

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.

Note 10. 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 11. 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 \$636,029 at December 31, 2013. The notes have various maturity dates and interest rates.

During the year ended December 31, 2011, a loan with a balance of \$151,846 was determined to be uncollectible and was included in administrative expense. During the year ended December 31, 2012, JEDCO acquired the property related to the uncollectible loan from the prior year. This land was held for sale at December 31, 2012 and classified as a receivable on the government-wide financial statements. During the year ended December 31, 2013, the property was sold for \$120,000. However, JEDCO's General Fund incurred \$32,465, which was netted against the gross proceeds received. The net proceeds of \$87,535 was returned to the EDA revolving loan pool.

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 \$4,534,363 at December 31, 2013. The notes have various maturity dates and are at zero percent interest.

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 \$1,416,116 at December 31, 2013. The notes have various maturity dates and are at zero percent interest.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 11. Notes Receivable (Continued)

New Market Tax Credit

On February 20, 2009, as part of the New Market Tax Credit (NMTC) transaction, JEDCO advanced \$500,000 to COCRF Investor 1, LLC, in the form of a subordinate loan note. The note will accrue interest at 12.2066% and the maturity date is February 20, 2016. Accrued interest of \$405,239 is included in the Statement of Net Position at December 31, 2013. Included in interest and investment earnings on the Statement of Activities for the year ended December 31, 2013 is \$104,529. The principal balance of \$500,000 and accrued interest of approximately \$680,000 are due in full on February 20, 2016, subject to prior payment in full by FORJ of all Senior Debt.

Note 12. Changes in Assets and Liabilities of Agency Funds

The following summarizes the changes in the assets and liabilities of the agency funds during 2013.

	HUD Revolving Loan Fund			
	Balance January 1, 2013	Additions	Payments/ Write-Offs	Balance December 31, 2013
Assets				
Cash and Cash Equivalents	\$ 591,347	\$ 109,084	\$ (6,834)	\$ 693,597
Notes Receivable	184,145	-	(100,448)	83,697
Total Assets	\$ 775,492	\$ 109,084	\$ (107,282)	\$ 777,294
Liabilities				
Due to Jefferson Parish Department of Community Development				
Drawdowns	\$ 503,425	\$ 6,032	\$ (5,997)	\$ 503,460
Net Income	272,066	1,768	-	273,834
Total Liabilities	\$ 775,491	\$ 7,800	\$ (5,997)	\$ 777,294

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 13. 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 \$8,750 at December 31, 2013.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 14. JEDCO Development Corporation

On August 22, 1990, JEDCO formed a corporation called the JEDCO Development Corporation to operate as a Certified Development Corporation (the "Corporation") pursuant to Section 504 of Title V of the Small Business Investment Act of 1958, as amended. The Corporation is to be governed by all requirements of Section 504. The Corporation was formed under the non-profit corporation statutes of the state of Louisiana. The Corporation assists 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, and its regulations.

Note 15. Patrick F. Taylor Science and Technology Academy and Conference Center

In February 2008, JEDCO entered into a Cooperative Endeavor Agreement (CEA) with the State of Louisiana Office of Facility Planning and Control for funding of \$22 million for construction of the Patrick F. Taylor Science and Technology Academy and Conference Center (Academy and Conference Center) in the Churchill Technology and Business Park. In February 2008, JEDCO also entered into a Cooperative Endeavor Agreement with the Jefferson Parish School Board (JPSB) for the IPSB Facilities department to administer the construction of the Academy and Conference Center in accordance with the requirements of the CEA between JEDCO and the State of Louisiana. In August 2011, JEDCO and JPSB amended the agreement such that JEDCO appointed JPSB as the agent and granted JPSB full power and authority to do and perform all acts with reference to the receipt of funding from the State of Louisiana.

In October 2008, JEDCO entered into a lease agreement with JPSB for use of the Academy Building land and the to-be constructed facility for a term of 99 years at \$1 per year to be paid at the inception of the lease. JPSB will be responsible for all maintenance of any kind at the Academy Building and the leased land. All repairs and maintenance will be contracted for, supervised by and paid for by JPSB with no responsibility of any kind borne by JEDCO. In 2012, the lease agreement was amended for an additional 2.547 acres of land. In exchange for the additional land, the School Board agreed to provide funding for the Conference Center's furniture, fixtures, equipment and all technology infrastructure for an amount not to exceed \$350,000.

Construction for both the Academy and Conference Center was completed in 2013. Effective December 2013, JEDCO took possession and control of the Conference Center. Although certain construction costs are still being incurred, construction costs totaling \$2,846,725 were recognized within the financial statements as of December 31, 2013. In accordance with accounting guidance regarding capital assets, the cost of construction for the Academy was not recorded within JEDCO's financial statements since JEDCO does not have ultimate control over the use of the Academy, nor does it have any responsibility for the repair, maintenance and insurance of the Academy.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 16. New Market Tax Credit

In February 2009, JEDCO and FORJ entered into a New Market Tax Credit Transaction (NMTC) to provide \$4 million of financing for the construction of JEDCO's new administration building and incubator facility in the Churchill Technology and Business Park. Forward Jefferson Corporation (FORJ) is a qualified 501(c)(3) non-profit corporation created for and on behalf of JEDCO to provide economic assistance to JEDCO in its economic development mission. FORJ will acquire and construct the proposed administration office and incubator facility in the Churchill Technology and Business Park. FORJ is a component unit of JEDCO as described in Note 1 to the financial statements.

In February 2009, JEDCO contributed \$500,000 to the NMTC transaction as described in Note 11 to the financial statements. In December 2009, FORJ obtained the financing of \$4 million. At December 31, 2013, the net book value of the building was \$5,719,616 representing building construction costs of \$6,141,870 and accumulated depreciation of \$422,254. Depreciation expense on the building is computed using the straight line method over a 39 year estimated useful life.

At December 31, 2013 the following Facility Notes are outstanding on FORJ:

Facility Note A due to AMCREF Fund 1, LLC, and interest at LIBOR plus 2.00% (2.248350% at December 31, 2013). Maturity date of February 20, 2016.	\$ 2,651,875
Facility Note B due to AMCREF Fund 1, LLC, interest at -0-%. Maturity date of February 20, 2016.	500,000
Facility Note C due to AMCREF Fund 1, LLC, interest at -0-%. Maturity date of February 20, 2016.	<u>670,000</u>
Total	<u><u>\$ 3,821,875</u></u>

Future principal payments are as follows:

2014	\$ 71,250
2015	283,000
2016	<u>3,467,625</u>
Total	<u><u>\$ 3,821,875</u></u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Notes to Financial Statements

Note 16. New Market Tax Credit (Continued)

FORJ will pay interest only on Facility Note A quarterly in arrears on the first day of each calendar quarter, beginning on January 1, 2010. FORJ may not prepay the Facility Note A, B, or C in full or in part any time prior to the Note Maturity date on February 20, 2016. The Facility Notes are collateralized by a first priority mortgage and security interest in the Land and improvements (administration building and incubator facility) and separately guaranteed by JEDCO and Jefferson Parish. FORJ and JEDCO have also entered into lease agreements (as described in Note 7) as part of the NMTC transaction.

Note 17. 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.

Note 18. Subsequent Events

Management has evaluated subsequent events through April 4, 2014, the date that the financial statements were available to be issued, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)
BUDGETARY COMPARISON SCHEDULES**

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
General Fund and Major Fund Descriptions
For the Year Ended December 31, 2013

General Fund

The General Fund accounts for resources traditionally associated with JEDCO which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Jefferson Edge Fund

The Jefferson Edge Fund was created for the purpose of implementing the Jefferson Edge program which is a five year economic development strategic plan for Jefferson Parish. Funding for the implementation comes from the State of Louisiana, Jefferson Parish and the private sector through annual or multi-year commitments.

EDA Revolving Loan Fund

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

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

The Business Recovery Grant and Loan Program Fund (BRGL)/Louisiana Recovery Capital Fund (LRCF) accounts for the grants received from the federal government through the Louisiana Office of Economic Development.

Innovation Loan and Technical Assistance Program (ILTAP)

The Innovation Loan and Technical Assistance Program (ILTAP) accounts for grants received from the federal government through the State of Louisiana Office of Community Development.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

Schedule 1

	Original Budget	Final Budget	Actual Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental				
Share of Jefferson Parish Occupational				
Licenses	\$ 1,601,207	\$ 1,601,207	\$ 1,601,207	\$ -
Jefferson Parish Funds	173,400	124,000	99,749	(24,251)
Jefferson Parish Funds - Incubator CDBG	-	-	6,750	6,750
Charges for Services				
Loan Processing and Servicing	206,700	177,700	207,484	29,784
Lease Income	12,000	12,000	12,000	-
Conference Center	30,450	210	206	(4)
IGA Revenues	-	300,000	300,000	-
Interest	2,000	1,500	1,283	(217)
Miscellaneous	-	-	66	66
Total Revenues	2,025,757	2,216,617	2,228,745	12,128
Expenditures				
Current				
Administrative	1,482,463	1,273,130	1,222,022	51,108
Economic Development Services	333,206	224,300	211,179	13,121
Enterprise Center West/Incubator	3,550	25,150	25,376	(226)
Incubator CDBG	-	-	-	-
Financing the Future	224,500	246,000	234,435	11,565
Marketing	149,250	142,950	140,445	2,505
Kenner Program	75,000	75,000	67,597	7,403
Tech Park	128,225	197,400	193,228	4,172
Conference Center	39,940	10,000	9,512	488
Capital Projects	-	-	994	(994)
Total Expenditures	2,436,134	2,193,930	2,104,788	89,142
Excess (Deficiency) of Revenues Over Expenditures	(410,377)	22,687	123,957	101,270
Other Financing Sources (Uses)				
Transfers to Other Funds	(32,400)	(8,000)	(303,059)	(295,059)
Transfers from Other Funds	50,000	75,000	477,438	402,438
Total Other Financing Sources (Uses)	17,600	67,000	174,379	107,379
Net Change in Fund Balance	\$ (392,777)	\$ 89,687	298,336	\$ 208,649
Fund Balance, Beginning of Year			1,595,088	
Fund Balance, End of Year			\$ 1,893,424	

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Budgetary Comparison Schedule
Jefferson Edge Fund
For the Year Ended December 31, 2013

Schedule 2

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental				
Share of Jefferson Parish Occupational Licenses	\$ 80,000	\$ -	\$ -	\$ -
Interest Income	700	500	445	(55)
Donations	250,000	185,000	178,500	(6,500)
Total Revenues	330,700	185,500	178,945	(6,555)
Expenditures				
Current				
Marketing	30,500	100	50	50
Technology Development	200,000	65,700	67,461	(1,761)
Administrative	37,000	19,550	17,929	1,621
Total Expenditures	267,500	85,350	85,440	(90)
Excess (Deficiency) of Revenues Over Expenditures	63,200	100,150	93,505	(6,645)
Other Financing Uses				
Transfers to Other Funds	(50,000)	(75,000)	(75,000)	-
Transfers from Other Funds	-	-	-	-
Total Other Financing Uses	(50,000)	(75,000)	(75,000)	-
Net Change in Fund Balance	\$ 13,200	\$ 25,150	18,505	\$ (6,645)
Fund Balance, Beginning of Year			802,193	
Fund Balance, End of Year			\$ 820,698	

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 EDA Revolving Loan Fund
 For the Year Ended December 31, 2013

Schedule 3

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ -	\$ 30,850	\$ 30,075	\$ (775)
Proceeds from Sale of Repossessed Property	-	90,000	87,535	(2,465)
Total Revenues	-	120,850	117,610	(3,240)
Expenditures				
Current Administrative	-	113,000	15,263	97,737
Total Expenditures	-	113,000	15,263	97,737
Excess of Revenues Over Expenditures	-	7,850	102,347	94,497
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 7,850</u>	102,347	<u>\$ 94,497</u>
Fund Balance, Beginning of Year			<u>1,213,482</u>	
Fund Balance, End of Year			<u>\$ 1,315,829</u>	

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 Business Recovery Grant and Loan Program Fund/
 Louisiana Recovery Capital Fund
 For the Year Ended December 31, 2013

Schedule 4

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest	\$ 136,500	\$ 155,000	\$ 158,682	\$ 3,682
Total Revenues	<u>136,500</u>	<u>155,000</u>	<u>158,682</u>	<u>3,682</u>
Expenditures				
Current				
Administrative	153,750	142,700	79,268	63,432
Total Expenditures	<u>153,750</u>	<u>142,700</u>	<u>79,268</u>	<u>63,432</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,250)</u>	<u>12,300</u>	<u>79,414</u>	<u>67,114</u>
Net Change in Fund Balance	<u>\$ (17,250)</u>	<u>\$ 12,300</u>	<u>79,414</u>	<u>\$ 67,114</u>
Fund Balance, Beginning of Year			<u>7,830,451</u>	
Fund Balance, End of Year			<u>\$ 7,909,865</u>	

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
 Budgetary Comparison Schedule
 ILTAP Fund
 For the Year Ended December 31, 2013

Schedule 5

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Federal Funds	\$ -	\$ -	\$ 1,043,225	\$ 1,043,225
Interest	-	9,620	10,461	841
Total Revenues	-	9,620	1,053,686	1,044,066
Expenditures				
Current				
Administrative	-	8,000	32,445	(24,445)
Total Expenditures	-	8,000	32,445	(24,445)
Excess (Deficiency) of Revenues Over Expenditures	-	1,620	1,021,241	1,019,621
Net Change in Fund Balance	\$ -	\$ 1,620	1,021,241	\$ 1,019,621
Fund Balance, Beginning of Year			<u>564,867</u>	
Fund Balance, End of Year			<u>\$ 1,586,108</u>	

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 unit, each major fund, and the aggregate remaining fund information of the Jefferson Parish Economic Development Commission (JEDCO), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise JEDCO's basic financial statements, and have issued our report thereon dated April 4, 2014.

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 by 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, 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 of 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2013-1.

Management's Response to the Finding

JEDCO's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. JEDCO's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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



A Professional Accounting Corporation

Metairie, LA
April 4, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Board of Commissioners
Jefferson Parish Economic Development Commission

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 Circular A-133 Compliance Supplement* that could have a direct and material effect on each of JEDCO's major federal programs for the year ended December 31, 2013. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above 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, 2013.

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 NNPHI's internal control over compliance with 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties.



A Professional Accounting Corporation

Metairie, LA
April 4, 2014

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number	Loans Disbursed	Federal Expenditures
Department of Housing and Urban Development Block Grant Loan Fund	14.248	BOO-UC-22-0001	\$ -	\$ 6,032
Special Economic Development and Domestic Assistance Program Long-Term Economic Deterioration (LTED) Revolving Loan Fund	11.307	08-39-02686	-	15,263
<u>Passed through from the Parish of Jefferson:</u> Community Development Block Grants	14.228	72-0850276	1,635,131	1,746,763
Total			\$ 1,635,131	\$ 1,768,058

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, 2013

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 focal 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.

Special Economic Development and Domestic Assistance Programs Long-Term Economic Deterioration (LTED) (EDA)

The Economic Development Administration 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.

Business Recovery Grant and Loan Program (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.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Note 3. Outstanding Loans

The value of loans outstanding is as follows at December 31, 2013:

EDA Revolving Loan	\$ 636,029
HUD Revolving Loan	83,697
BRGL/LRCF Loan Fund	4,534,363
ILTAP Loan Fund	<u>1,416,116</u>
Total	<u>\$ 6,670,205</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2013

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 section 510(a) of Circular A-133? | No |
| 7. | Identification of major programs: | |

CFDA Numbers

14.228

Name of Federal Program or Cluster

Department of Housing and Urban Development
Community Development Block Grant

- | | | |
|----|-----------------------------------------------------------------------------|-----------|
| 8. | Dollar threshold used to distinguish between type A
and type B programs. | \$300,000 |
| 9. | Auditee qualified as low-risk auditee? | Yes |

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2013

Part II – Financial Statement Findings

2013-1 – Noncompliance with Budget Law – Budget Amendments

Issue: At December 31, 2013, actual expenditures and other uses for the ILTAP Special Revenue Fund exceeded budgeted expenditures by more than 5%.

Criteria: R.S. 39:1310 and 39:1311 requires that whenever projected and/or actual expenditures and other uses exceed budgeted expenditures and other uses by five percent or more, the governing authority shall adopt a budget amendment.

Effect: JEDCO did not meet the requirements of the state budget laws in regards to the expenditures of the ILTAP Special Revenue Fund.

Cause: A budget amendment was not made since the amount of actual revenues was well in excess of both budgeted and actual expenditures.

Recommendation: Near the end of the fiscal year, management should evaluate its actual revenues and other sources and compare those amounts to its current budget. If management projects significant variances (i.e., more than five percent) between budgeted and actual expenditures and other uses, a budget amendment should be prepared and submitted to the governing board.

Management's Response: Administrative expenses usually represent a projection of reimbursable expenses attributable to serving loans. In 2013, management experienced anomalies for one particular loan closing in the amount of \$23,986 which extended beyond servicing. Management is researching procedures to encourage assurance of all expenses.

Part III – Findings and Questioned Costs for Federal Awards

None

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
Schedule of Prior Year Findings
For the Year Ended December 31, 2013

2012-1 BUDGET ACT

Condition and Recommendation

The EDA Revolving Loan Fund and the ILTAP Fund did not adopt budgets for the year ended December 31, 2012.

The Board should adopt an annual budget for all special revenue funds.

Current Status

Resolved