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MANAGEMENT'S DISCUSSION AND ANALYSIS AND

BASIC FINANCIAL STATEMENTS

JEFFERSON REDEVELOPMENT, INC.

Year ended June 30, 2013

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VINCENT R. PROTTI, JR., LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' REPORT

Board Members of Jefferson Redevelopment Incorporation

Report on the Financial Statements

I have audited the accompanying financial statement of Jefferson Redevelopment, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013 and the related statement of activities for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Redevelopment, Inc. as of June 30, 2013, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated December 5, 2013, on my consideration of Jefferson Redevelopment, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, and contracts agreements. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jefferson Redevelopment, Inc.'s internal control over financial reporting and compliance.

Vincent R. Protti Jr. CPA

Vincent R. Protti Jr., LLC
Certified Public Accountant
Gretna, Louisiana
December 5, 2013

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The Management's Discussion and Analysis (MD&A) of Jefferson Redevelopment, Inc. 's (JRI) financial performance provides an overview and an objective, narrative analysis of JRI's financial activities for the year ended June 30, 2013. Please read it in conjunction with JRI financial statements.

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

Financial Highlights

- The assets of JRI exceeded its liabilities by $6,633,464 for the fiscal year ending 2013 compared to $6,796,311 in the prior year. This is due to the structure of JRI, Jefferson Facilities, Inc. (JFI), a public benefit non-profit corporation, and the Parish of Jefferson (Parish). JFI and JRI were created by the governing authority of Jefferson Parish. To date, the only project undertaken by JRI and JFI is the construction and management of a parking garage for the Jefferson Parish. Jefferson Parish leased certain tracts of land to JRI upon which a parking garage was constructed. JFI entered into a sublease with JRI for this land and agreed to design, build, maintain, and operate a parking garage. As such, JRI owns the parking garage. JRI is responsible for the repayment of the bonds issued for the construction of the garage, and Jefferson Parish is the guarantor of the bond issue. Ownership of the parking garage will revert to the Parish upon final payment of the debt obligation.

- JRI had an operating loss of $162,847 for the fiscal year ending 2013 compared to a loss of $248,880 in the prior year. The losses are due primarily to depreciation expense on the parking garage.

- Capital transfers in for the year were $85,160 and consisted of parking control equipment in the amount of $ 74,94 and accounting expenses of $10.200.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to JRI's basic financial statements. JRI's total assets are $6,633,464 and total liabilities are $ -0- which results in unrestricted net assets of $6,633,464. The change in net assets for the current year resulted in a $162,847 loss. The decrease in unrestricted net assets is due primarily to depreciation for the parking garage.

JRI's transfers for both years included $12.00 derived from lease payments.

JRI received a capital transfer from JFI of $85,160 in fiscal 2013 and $11,076 in fiscal year 2012.

Budgetary Highlights None

JRI has not prepared a budget since expense or nomination.

JEFFERSON REDEVELOPMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS	
Accounts Receivable	$ 143
Capital Assets, net	6,633,321
Total Assets	6,633,464
NET ASSETS	
Unrestricted	6,633,464
Total Net Assets	$ 6,633,464

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

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JEFFERSON REDEVELOPMENT, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2013

OPERATING REVENUES	$ -
OPERATING EXPENSES:	
Accounting and legal	10,200
Depreciation	237,807
Total Operating Expenses	248,007
Operating Income (Loss) before transfers	(248,007)
CAPITAL TRANSFERS	
Capital Transfers in	85,160
Change in net assets	(162,847)
Total net assets - beginning	6,796,311
Total net assets - ending	$ 6,633,464

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Jefferson Redevelopment, Inc. (JRI) was formed on May 23, 2001 as a non-profit public benefit corporation pursuant to the Louisiana Nonprofit Corporation Law (Chapter 2 of Title 12 of the Louisiana Revised Statutes of 1950, as amended). The purpose of JRI is to actively seek interaction through federal, state or local government initiatives or through its own volition to seek out or create programs whereby it may best interact or cooperate with other economic development corporations to carry out the purposes for which it is created. JRI is organized on a non-stock basis and is managed by a three person Board of Directors who serve without compensation.

1. FINANCIAL REPORTING ENTITY

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

2. BASIS OF ACCOUNTING

Basis of accounting relates to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made. The activities of Jefferson Redevelopment, Inc. are accounted for using the accrual basis of accounting whereby revenues are reorganized when earned and expenses are recognized at the time the liability is incurred. The revenues susceptible to accrual are lease revenues from Jefferson Facilities, Inc.

3. ACTIVITIES

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

The initial project undertaken by JRI is for the development, design, construction and operation of a parking garage and operation of surface parking facilities. As of the report date, this is the only project in operation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. CASH AND CASH EQUIVALENTS
Due to the nature of its operations, JRI does not maintain any cash or cash equivalents, and has no cash transactions. Accordingly, a Statement of Cash Flows is not presented.

5. CAPITAL ASSETS
Capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Major additions and improvements to capital assets that extend the economic life are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. Repairs and maintenance are charged to operating expense as incurred. Depreciation of these assets has been calculated using the straight-line method over the estimated useful lives of 10 to 39 years.

6. NET ASSETS
Net Assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Parish or through restrictions imposed by contracts.

7. TRANSFERS IN (OUT)
The agreements between JRI and Jefferson Facilities, Inc. and between JRI and Jefferson Parish relative to leases (Note C) provide for the flow of assets without an equivalent flow of assets in return and without a requirement for repayment. Accordingly, the transactions relative to these leases are reported as transfers in (out) in the Statement of Activities and Charges in Net Assets.

NOTE B - AGREEMENTS

Property owned by JRI is subject to several agreements described below.

1. COOPERATIVE ENDEAVOR AGREEMENT
JRI entered into a cooperative endeavor agreement with the Parish of Jefferson, Louisiana, and Jefferson Facilities, Inc. dated August 1, 2001, which sets forth the representations and obligations that the parties agreed upon to facilitate the development, design, finance, construction and operation of a parking garage. This agreement was first amended on May 16, 2007, which amendment altered the original cooperative endeavor agreement between these parties, described above, in agreement was next amended on November 1, 2012, which altered the original cooperative endeavor agreement and amended cooperative endeavor agreement, both described above, in that It provided for the refinance of the Series 2001 Bonds and the mortgagee securing same

NOTE B – AGREEMENTS-CONTINUED

2. GROUND LEASE AGREEMENT

The Parish of Jefferson has leased certain tracts of land sustained in Jefferson Parish, Louisiana, to JRI, at a rental of one dollar ($1.00) per month to facilitate the construction of the parking garage previously mentioned.

Future Minimum Lease Payments to be made for years ending June 30:

2014-2018	$	60.00
2019-2023		60.00
2024-2028		60.00
2029-2031		36.00
Total	$	216.00

3. SUBLEASE AGREEMENT

JRI entered into a sublease agreement with Jefferson Facilities, Inc. for the land on which the parking garage was built. Jefferson Facilities, Inc. has the right to use and enjoy the premises for the construction and operation of the parking garage. In consideration of this sublease, Jefferson Facilities, Inc. agrees, at its own expense, to design, build, maintain and operate a parking garage and agrees to pay rental of one dollar ($1.00) per month. As additional rent, Jefferson Facilities, Inc. agrees to pay all amounts owed by JRI to the Parish under the ground lease (one dollar ($1.00) per month) and further agrees to pay all administrative and operating expenses of JRI. Jefferson Facilities, Inc. entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority). This lease, entered into on August 1, 2001, was modified by an amendment on November 1, 2012 which provided for the refinancing of the Series 2001 bonds.

3. SUBLEASE AGREEMENT (CONTINUED)

In conjunction with this new loan agreement, which was a refinancing of JFI's debt obligations, the prior-issued Series 2001 Bonds of $9,315,000 were paid off. This payroll cancelled the prior loan agreement. Under the agreement, the Authority issued $7,615,000 of revenue bonds to finance the garage construction and loaned the proceeds to JFI. The lease ends at midnight on August 1, 2031, or the date, on which the bonds have been paid in full, whichever is later. The total amount of minimum rentals to be received under the non-cancellable sublease as of a June 30, 2013 is $216 (not including ground rent payable to the parish). The parking garage constructed is owned by JRI while the bonds are outstanding. Upon payment in full of the bonds, JRI shall transfer ownership of the parking garage to the Parish.

NOTE B - AGREEMENTS (CONTINUED)

NOTE C - CAPITAL ASSETS

A summary of changes is capital assets and depreciation for the year ended June 30, 2013 are as follows:

	Building and Improvements	Parking Control Equipment	Total
Capital Assets			
Balance July 1, 2012	$ 9,083,608	$ 48,939	$ 9,132,547
Additions	-	74,946	74,946
Balance June 30, 2013	$ 9,083,608	$ 123,885	$ 9,207,493
Accumulated Depreciation			
Balance July 1, 2012	$ 2,300,017	$ 36,348	$ 2,336,365
Depreciation Expense	232,913	4,894	237,807
Balance June 30, 2013	$ 2,532,930	41,242	$ 2,574,172

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

Board Members of Jefferson Redevelopment Inc.

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson Redevelopment Incorporated as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued my report thereon dated December 5, 2013.

<u>Internal Control Over Financial Reporting</u>

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vincent R. Protti Jr., LLC
Certified Public Accountant
Gretna, Louisiana
December 5, 2013

JEFFERSON REDEVELOPMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013

I have audited the financial statements of Jefferson Redevelopment Incorporated as of June 30, 2013, and have issued my report thereon dated December 5, 2013. I conducted my audit in accordance with auditing standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2013 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness No Other Conditions No

Compliance

Compliance Material to Financial Statements No

Section II Financial Statement Findings

None