



**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**



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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB), which comprise the Statements of Financial Position as of December 31, 2021 and 2020, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDB as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IDB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IDB's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 IDB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IDB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head (as required by Louisiana Revised Statute 24:513(A)(3)) on page 14 is presented for purposes of additional

analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, on our consideration of IDB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of IDB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IDB's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
June 20, 2022

**The Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Statements of Financial Position**

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets		
Cash	\$ 944,523	\$ 1,478,096
Certificates of deposit	596,474	1,138,358
LAMP - cash equivalent	1,827,585	711,547
Accrued interest receivable	-	817
Prepaid expenses	7,862	8,418
Total current assets	<b>3,376,444</b>	3,337,236
Land	<b>3,000,000</b>	3,000,000
Total assets	<b>\$ 6,376,444</b>	\$ 6,337,236
<b>Liabilities and Net Assets</b>		
Current liabilities		
Deferred revenue	\$ 21,300	\$ 19,250
Accounts payable and accrued expenses	-	122,067
Total current liabilities	<b>21,300</b>	141,317
Net assets without donor restrictions	<b>6,355,144</b>	6,195,919
Total liabilities and net assets	<b>\$ 6,376,444</b>	\$ 6,337,236

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

**The Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Statements of Activities**

<i>For the years ended December 31,</i>	<b>2021</b>	<b>2020</b>
	<b><i>Without Donor Restrictions</i></b>	<b><i>Without Donor Restrictions</i></b>
<b>Revenues</b>		
Annual administrative fees	\$ 472,877	\$ 441,114
Six Flags income	39,278	46,200
Closing costs	-	32,890
Interest income	6,506	34,411
Application fees	6,000	3,000
Other income	5,084	-
<b>Total revenues</b>	<b>529,745</b>	<b>557,615</b>
<b>Expenses</b>		
Six Flags program services	198,783	179,426
Other program services	34,013	35,108
Management and general	137,724	235,208
<b>Total expenses</b>	<b>370,520</b>	<b>449,742</b>
<b>Change in net assets</b>	<b>159,225</b>	<b>107,873</b>
<b>Net assets at beginning of year, as previously stated</b>	<b>6,195,919</b>	<b>3,088,046</b>
Restatement	-	3,000,000
<b>Net assets at end of year</b>	<b>\$ 6,355,144</b>	<b>\$ 6,195,919</b>

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

**The Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Statements of Functional Expenses**

<i>For the years ended December 31,</i>	<b>2021</b>				<b>2020</b>			
	<b>Six Flags Program</b>	<b>Other Program</b>	<b>Management and General</b>	<b>Total</b>	Six Flags Program	Other Program	Management and General	Total
Six Flags - Insurance	\$ 6,340	\$ -	\$ -	\$ 6,340	\$ 6,350	\$ -	\$ -	\$ 6,350
Six Flags - Legal	6,773	-	-	6,773	3,545	-	-	3,545
Six Flags - Maintenance	2,500	-	-	2,500	6,891	-	-	6,891
Six Flags - Miscellaneous	63	-	-	63	-	-	-	-
Six Flags - Security	165,820	-	-	165,820	144,740	-	-	144,740
Payroll and related expenses	15,932	32,475	72,137	120,544	16,495	32,988	63,369	112,852
Professional fees	-	-	54,519	54,519	-	-	38,887	38,887
Rental expense	386	579	1,807	2,772	405	810	1,557	2,772
Office expense and supplies	-	-	1,160	1,160	-	-	1,867	1,867
Insurance	-	-	2,254	2,254	-	-	2,233	2,233
Website expense	334	500	1,565	2,399	351	701	1,348	2,400
Parking and mileage	329	-	2,337	2,666	345	-	2,414	2,759
Travel and meetings	-	-	-	-	-	-	193	193
Telephone and internet	306	459	1,432	2,197	304	609	1,169	2,082
Repair and maintenance	-	-	-	-	-	-	-	-
Postage and delivery	-	-	388	388	-	-	386	386
Miscellaneous	-	-	125	125	-	-	110	110
Incentive for local initiative	-	-	-	-	-	-	121,675	121,675
<b>Total</b>	<b>\$ 198,783</b>	<b>\$ 34,013</b>	<b>\$ 137,724</b>	<b>\$ 370,520</b>	<b>\$ 179,426</b>	<b>\$ 35,108</b>	<b>\$ 235,208</b>	<b>\$ 449,742</b>

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



**The Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Statements of Cash Flows**

<i>For the years ended December 31,</i>	<b>2021</b>	<i>2020</i>
<b>Operating Activities</b>		
Change in net assets	\$ 159,225	\$ 107,873
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Interest earned and reinvested on certificates of deposit and cash equivalents	(2,690)	(18,905)
Changes in operating assets and liabilities		
Accrued interest receivable	817	7,529
Prepaid expenses	556	(575)
Accounts payable and accrued expenses	(122,067)	121,731
Deferred revenue	2,050	15,500
Net cash provided by (used in) operating activities	<b>37,891</b>	233,153
<b>Investing Activities</b>		
Purchase of LAMP - cash equivalent	(1,115,394)	(401,277)
Purchases of certificates of deposit	-	(500,005)
Maturities of certificates of deposit	543,930	1,740,190
Net cash provided by (used in) investing activities	<b>(571,464)</b>	838,908
Net change in cash and cash equivalents	<b>(533,573)</b>	1,072,061
Cash and cash equivalents at beginning of year	<b>1,478,096</b>	406,035
Cash and cash equivalents at end of year	<b>\$ 944,523</b>	<b>\$ 1,478,096</b>

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

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 1: DESCRIPTION OF THE ORGANIZATION**

Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB) is a Louisiana non-profit corporation organized pursuant to the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes. IDB was created by the New Orleans City Council in 1972 to promote the retention, expansion, and attraction of business and commercial enterprises in Orleans Parish and to expand employment opportunities. IDB has the ability to issue taxable and tax-exempt revenue bonds and other obligations to acquire land, construct, purchase, or renovate buildings to acquire and install machinery and equipment, and to finance any other economic development efforts. IDB can issue bonds without the necessity of calling a public bond election or having a public sale of bonds. The bonds (either taxable or tax exempt) are financed by the developer. Tax-exempt bonds provide the incentive of a below market interest rate. IDB may also offer a Payment in Lieu of Taxes (PILOT). A PILOT, if granted, may assist the developer with their financing of the project.

IDB is also responsible for administering the upkeep and security of the former Six Flags amusement park (Six Flags) that was abandoned after Hurricane Katrina in 2005.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to revenue earned and expected to be received.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Certificates of Deposit***

Certificates of deposit are stated at cost, which approximates fair value. Certificate terms typically range from one to two years.

***LAMP - Cash Equivalent***

Lamp - cash equivalent consists of IDB's interest in a local government pooled investment program managed by the Louisiana Asset Management Pool (LAMP) held by a custodial bank. The investments in LAMP are stated at fair value based on quoted market rates.

***Accrued Interest Receivable***

Accrued interest receivable is recorded for interest earned on certificates of deposit. The accrued interest is adjusted to actual interest earned based on the renewal dates.

***Deferred Revenue***

Deferred revenue consists of prepaid funds received by IDB from clients related to the future use of the Six Flags property and for costs of certain reports required by the IDB and/or pursuant to lease agreements for PILOT-related projects. There was deferred revenue of \$21,300 and \$19,250 at December 31, 2021 and 2020, respectively.

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the IDB, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The entire net asset balance of IDB, \$6,355,144 in 2021 and \$6,195,919 in 2020, is classified as Net Assets without Donor Restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

The main sources of revenue for the IDB are from annual administrative fees, which are fees collected on projects (with or without bond issuance) that involve a PILOT, income from short-term rentals of the Six Flags property, and closing costs earned from the issuance of bonds for projects in the New Orleans area at 1/20 of 1% of bond issuance. For the year ended December 31, 2020, IDB adopted ASC Topic 606, Revenue from Contracts with Customers (ASC 606), which requires the recognition of revenue when performance obligations under the terms of the contracts with customers are satisfied (see Recent Accounting Pronouncements section). Income from fees and closing costs received in advance are deferred and recognized in the period to which they relate. These amounts are included in deferred revenue within the statements of financial position.

***Functional Allocation of Expenses***

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Certain categories of expenses are attributable to one or more program or supporting functions of IDB. Those expenses include payroll and related expenses, rental expense, parking and mileage, and telephone and internet. Payroll and related expenses and telephone and internet are allocated based on estimates of time and effort. Rental expense is allocated based on both estimates of time and effort and on a square footage basis. Parking and mileage is allocated based on actual expense.

***Income Taxes***

Under section 501(c)(6) of the Internal Revenue Code, the IDB is exempt from taxes on income other than unrelated business income. IDB had no unrelated business income for the years ended December 31, 2021 and 2020.

IDB utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2021 and 2020, IDB has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. IDB believes it is no longer subject to income tax examinations for years prior to 2018.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2022, and determined that other than as disclosed in Note 10, there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance.

Effective January 1, 2020, the Organization adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to retained earnings recognized upon adoption. The difference between revenue and cost recognition related balances at December 31, 2019 under the new guidance compared to the superseded revenue recognition guidance was determined to be immaterial. Accordingly, no adjustment to beginning net assets without donor restrictions was necessary.

***Accounting Guidance Not Yet Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the Statements of Financial Position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statement of Activities. For IDB, the standard is effective for the fiscal year ending December 31, 2022. Early adoption is permitted. IDB has elected not to early adopt ASU 2016-02 and is assessing the effect the standard will have on the financial statements.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 3: RESTATEMENT FOR THE CORRECTION OF AN ERROR**

During the course of 2021 audit, it was determined that during the year ended December 31, 2009, the title to the Six Flags land and therefor ownership of that land was transferred to the Industrial Development Board of the City of New Orleans, Louisiana, Inc. The land we never recorded on the IDB books to reflect this transaction. The impact to the year ended 2020 financials was an increase in net assets without donor restrictions of \$3,000,000 and an increase in land of \$3,000,000.

**NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

IDB has \$3,368,582 of financial assets available, as of December 31, 2021, within one year of the statement of financial position date consisting of cash of \$944,523, certificates of deposit of \$596,474, and LAMP balance of \$1,827,585. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accrued interest receivable will be collected within one year. IDB has a goal to maintain financial assets, which consist of cash and certificates of deposit, on hand to meet the annual budgeted normal operating expenses (excluding Six Flags), which are, on average considering the last three years, approximately \$180,000. As part of its liquidity management, IDB invests cash in excess of daily requirements in various certificates of deposit and in LAMP.

IDB has \$3,328,818 of financial assets available, as of December 31, 2020, within one year of the statement of financial position date consisting of cash of \$1,478,096, certificates of deposit of \$1,138,358, LAMP balance of \$711,547, and accrued interest receivable of \$817. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accrued interest receivable will be collected within one year.

**NOTE 5: LAMP**

IDB holds cash equivalents in LAMP, a local government investment pool. This pool is administered by a non-profit corporation, Louisiana Asset Management Pool, Inc., which was organized under the laws of the State of Louisiana and is not required to be a registered investment company under the Investment Company act of 1940; however, its policies are similar to those established by Rule 2a7, which governs registered money market funds. Only local government entities and quasi-governmental agencies having contracted to participate in LAMP have an interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments and cash equivalent options.

The LAMP portfolio includes only securities and other obligations in which local governments and quasit-governmentals in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 5: LAMP (CONTINUED)**

is rated AAAM 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 or 762 days for U.S. Government floating/variable rate investments. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's balances are stated at fair value based on quoted market values. The fair values of the assets are determined on a weekly basis to monitor any variances between amortized costs and fair values. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2021 and 2020, IDB had cash equivalents in LAMP totaling \$1,827,585 and \$711,547, respectively.

**NOTE 6: CONCENTRATIONS OF CREDIT RISK**

IDB maintains demand and time deposit accounts and certificates of deposit with financial institutions. At December 31, 2021 and 2020, IDB's cash deposits and certificates of deposit were in excess of federally insured limits by \$2,731 and \$478,892, respectively.

**NOTE 7: COMMITMENTS**

As the title to the Six Flags property is in IDB's name, the entity has a commitment to pay for upkeep of the property. In 2008, a servitude was granted on the property, and, as the property owner of record, IDB received a check for \$112,584. This money was maintained in an account for several years, but IDB has since used it to cover the costs to maintain the property. Expenses to maintain the property, which consist of security, maintenance, insurance, and legal amounted to \$198,783 and \$179,426 for the years ended December 31, 2021 and 2020 respectively. Any expenses exceeding the lease income from the Six Flags property (see Note 9 below) must be paid from the operations of IDB.

**NOTE 8: ECONOMIC ENVIRONMENT**

Income is dependent primarily upon IDB receiving a sufficient number of applications wherein the applicant/developer is seeking bond financing through IDB and, additionally in some instances, a PILOT. In the long-term, these applications and the subsequent successful bond issuance generate closing costs income and potentially annual administrative fees if a PILOT is involved. All such projects occur in Orleans Parish. A decline in local and general economic conditions could affect the generation of revenue.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Notes to Financial Statements**

**NOTE 9: SIX FLAGS AGREEMENTS**

IDB has signed multiple short-term lease agreements with film companies. The agreements give the companies the right to use the Six Flags property for movie filming. IDB received income related to Six Flags of \$39,278 and \$46,200, for the years ended December 31, 2021 and 2020, respectively. IDB hired security to maintain 24-hour security at the Six Flags site in April 2016. With the constant 24-hour security service, the security personnel on an 8-hour shift will make no less than four trips through the amusement park, along with maintaining vigilance at the two main gates. The cost of this service is approximately \$500 per day. Security costs for the years ended December 31, 2021 and 2020 were \$165,820 and \$144,740, respectively.

**NOTE 10: SUBSEQUENT EVENTS**

Subsequent to year end, IDB entered into negotiations with an interested party on the redevelopment of the Six Flags property. No deal has been finalized on the redevelopment at the time this report was issued.



**The Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Schedule of Compensation, Benefits and Other Payments to Agency Head**

Mr. Darrel J. Saizan, Jr., Board President, did not receive any compensation, benefits, or other payments for the period from August 5, 2021 to December 31, 2021.

Mr. Alan Philipson, Board President, did not receive any compensation, benefits, or other payments for the period from January 1, 2021 to August 4, 2021.

*See independent auditors' report.*

**INDEPENDENT AUDITORS' 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 of Directors  
Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB, a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2021, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2022.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the origination'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
June 20, 2022

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Schedule of Findings and Responses**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(es) identified?	None noted
Noncompliance material to financial statements noted?	No

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**2021-001 Material Weakness: Internal Control over Fixed Assets**

**Criteria:** Accounting principles generally accepted in the United States (GAAP) requires an organization to record fixed assets it has title to at cost less applicable depreciation.

**Condition:** When the title to the Six Flags property was transferred to IDB, the organization did not record the land in its financial statements.

**Cause:** Controls were not effective over the addition of fixed assets for the organization, causing the transfer of the property to not be recorded.

**Effect:** The prior financial statement of the organization were understating net assets and fixed assets.

**Auditors**

**Recommendation:** The organization should design, implement, and monitor proper controls around the addition of fixed assets.

**Managements**

**Response:** See corrective action plan on page 20.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Summary Schedule of Prior Audit Findings**

**A. FINDINGS RELATED TO FINANCIAL STATEMENTS**

None noted.

**B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

None noted.

**C. MANAGEMENT LETTER**

None issued.

**Industrial Development Board of the  
City of New Orleans, Louisiana, Inc.  
Corrective Action Plan**

**CORRECTIVE ACTION PLAN**

**2021-001 Material Weakness: Internal Control over Fixed Assets**

**Planned Corrective Action:** Upon completion of any fixed asset transfers to the Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB); management will record that transfer at fair market value on their books.

**Anticipated Completion Date:** September 30, 2022

**Responsible Party:** Sharon Martins, Administrator