

**Algiers Development District  
of the City of New Orleans**  
(A Component Unit of the City of New Orleans)

**FINANCIAL STATEMENTS**  
December 31, 2019



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Algiers Development District of the City of New Orleans  
(A Component Unity of the City of New Orleans)

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December 31, 2019

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**Report**



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners of  
Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Algiers, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of Algiers Development District of the City of New Orleans (the District), a component unit of the City of New Orleans, as of and for the year ended December 31, 2019, and the related notes to financial statements, which comprise the District's basic financial statements as listed in the table of contents.

### **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.

### **Auditors' 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the District'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 District's control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 the 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 the District's basic financial statements. The schedule of governing board compensation and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of governing board compensation and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of governing board compensation and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects,

in relation to the basic financial statements as a whole.

**Other Report Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020, on our consideration of the District'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 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 the District's internal control over financial reporting and compliance.

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

Metairie, Louisiana  
September 21, 2020



**Required Supplementary  
Information (Part I)**



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

The Algiers Development District of the City of New Orleans (the District) Management’s Discussion and Analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District’s financial activity, and identify changes in the District’s financial position and its ability to address the next and subsequent years’ challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Codification and is intended to provide the financial results for the fiscal year ended December 31, 2019.

As indicated in the illustration on the next page, GASB Codification 2200 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

**Government-Wide Financial Statements**

The government-wide financial statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds’ current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenditures regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user’s analysis of the costs of various services.

Revenues to the District consist primarily of local and state sales tax collections, and rental revenue from leased properties.

Expenses for the District consist primarily of expenses to support the Federal City and Federal City Retail Complex project as well as administration expenses.

**Fund Financial Statements**

The fund financial statements’ focus is on the District’s major funds rather than fund types. The two account groups; General Capital Assets and General Long-Term Debt, are not reported. Consistent with previous years, the fund financial statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

The General Fund is the only fund of the District.

**General Fund**

The General Fund encompasses all revenues and expenditures of the District.

**Financial Highlights**

Condensed statements of net position as of December 31, 2019 and 2018 are as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Current assets	\$ 2,238,998	\$ 2,720,322
Capital assets, net	39,839,435	41,314,267
Other assets	32,595	32,545
<b>Total assets</b>	<b>\$ 42,111,028</b>	<b>\$ 44,067,134</b>
Current liabilities	\$ 611,094	\$ 769,064
Noncurrent bonds payable	1,300,000	1,500,000
<b>Total liabilities</b>	<b>1,911,094</b>	<b>2,269,064</b>
<b>Total deferred inflows of resources</b>	<b>136,591</b>	<b>136,591</b>
Net position		
Net investment in capital assets	39,839,435	41,314,267
Unrestricted	223,908	347,212
<b>Total net position</b>	<b>40,063,343</b>	<b>41,661,479</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 42,111,028</b>	<b>\$ 44,067,134</b>



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

Condensed statements of revenues and expenditures and changes in fund balances as of December 31, 2019 and December 31, 2018 is as follows:

	December 31, 2019	December 31, 2018
Operating revenues	\$ 1,088,636	\$ 1,780,173
Operating expenses	(2,686,773)	(3,520,770)
Excess (deficit) of revenues over expenses	(1,598,137)	(1,740,597)
Net position – Beginning of year	41,661,479	43,402,076
Net position – End of year	\$ 40,063,342	\$ 41,661,479

**Summary of 2019 Assets and Liabilities**

**Assets**

As of December 31, 2019, the total assets of the District decreased by \$1,956,106. This is primarily attributable to an increase in accumulated depreciation on net capital assets of \$873,053, the transfer of land totaling \$723,318 to build a school building, and the decrease of current assets of \$481,324 in the current year.

**Capital Assets**

As of December 31, 2019, Capital Assets consist of land valued at \$13,517,674, buildings and improvements valued at \$28,065,939, and ramps and piers valued at \$1,051,225. As stated above, the net capital assets decreased in value by \$1,474,832 primarily as a result of the current year's addition to accumulation depreciation \$873,053 (i.e., depreciation expense) and the transfer of land totaling \$723,318.

**Liabilities**

As of December 31, 2019, the total liabilities of the District decreased by \$357,970. This is primarily the result of \$200,000 of principal payments being made on the bond debt and a decrease in accounts payable of \$139,798.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

**Net Position**

As of December 31, 2019, total net position was \$40,063,343, which consisted of \$39,839,435 of net investment in capital assets and \$223,908 of unrestricted net position.

**Summary of 2019 Revenues**

For the year ended December 31, 2019, total revenues decreased by \$691,537. This is primarily attributed to a transfer of land valued at \$723,318 and increased TIF collections of \$29,024.

**Summary of 2019 Program Expenditures**

The District has the clear objective of economic development in Algiers and support of the Federal City and Federal City Retail Complex Projects. Expenditures totaled \$2,686,773 in satisfaction of its program requirements, administrative costs, and rental costs for the current year. For the year ended December 31, 2019, expenditures decreased by \$833,997. Expenses decreased by this amount primarily due to decreased legal and development costs related to the Federal City development project.

**General Fund Budgetary Highlights**

For the year ended December 31, 2019, there were no unfavorable variances greater than 5% in the total revenue or expenditure lines when comparing the revised budget versus the actual results of the District.

**Economic Factors and Next Year's Budget**

The District evaluated current year's operations and many other factors when establishing the budget for its general fund for the year ending December 31, 2020. Anticipated revenues are approximately \$1,740,000 while anticipated expenditures total \$2,171,000.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

**Contacting the Algiers Development District of the City of New Orleans' Management**

This financial report is designed to provide management, the City of New Orleans and the State of Louisiana, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ms. Kathy Lynn Honaker of the Algiers Development District at (504) 367-3331.



# Financial Statements

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Statement of Net Position**

<i>December 31,</i>	<i>2019</i>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,185,696
Funds held in trust - Property One	679,610
Sales tax revenue receivable	325,268
Rental receivables	26,927
Prepaid expense	21,497
Total current assets	2,238,998
Non-current assets	
Deposit	32,595
Capital assets, net	39,839,435
Total non-current assets	39,872,030
Total assets	42,111,028
<b>Liabilities</b>	
Current liabilities	
Accounts payable	380,531
Rental liabilities	30,563
Bonds payable, current portion	200,000
Total current liabilities	611,094
Long-term bonds payable, net	1,300,000
Total liabilities	1,911,094
<b>Deffered Inflows of Resources</b>	
Deferred revenue	136,591
<b>Net Position</b>	
Net investment in capital assets	39,839,435
Unrestricted	223,908
Total net position	\$ 40,063,343

*The accompanying notes are an integral part of this financial statement.*



**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Statement of Activities**

For the year ended December 31,

2019

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Assets
<b>Governmental Activities</b>			
Economic development	\$ 1,590,979	\$ -	\$ (1,590,979)
General and administrative	154,314	-	(154,314)
Other program costs	331,378	-	(331,378)
Rental expenses	539,520	-	(539,520)
Interest expense	70,582	-	(70,582)
<b>Total governmental activities</b>	<b>2,686,773</b>	<b>-</b>	<b>(2,686,773)</b>
<b>General Revenues and Special Items</b>			
General revenues			
Sales tax for economic development			1,136,659
Rental revenue			595,822
Donation of land			(723,318)
Miscellaneous			54,599
Interest income			24,875
<b>Total general revenue and special items</b>			<b>1,088,637</b>
<b>Change in Net Position</b>			<b>(1,598,136)</b>
Net position at beginning of year			41,661,479
Net position at end of year			<b>\$ 40,063,343</b>

*The accompanying notes are an integral part of this financial statement.*

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Balance Sheet - Governmental Funds**

December 31, 2019

	General Fund
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,185,696
Funds held in trust - Property One	679,610
Sales tax revenue receivable	325,268
Rental receivables	26,927
Prepaid expense	21,497
Total current assets	2,238,998
Non-current assets	
Deposit	32,595
Total assets	\$ 2,271,593
<b>Liabilities</b>	
Accounts payable	\$ 380,531
Rental liabilities	30,563
Unavailable revenue	136,591
Total liabilities	547,685
<b>Fund Balances</b>	
Committed	1,000,000
Unassigned	723,908
Total fund balances	1,723,908
Total liabilities and fund balances	\$ 2,271,593

*The accompanying notes are an integral part of this financial statement.*

**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Reconciliation of Balance Sheet - Governmental Funds to  
Statement of Net Position**

<i>December 31,</i>	<i>2019</i>
Total fund balances - governmental funds	\$ 1,723,908
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	39,839,435
Debt used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Debt related to bond issuance	(1,500,000)
<b>Net position of governmental activities</b>	<b>\$ 40,063,343</b>

*The accompanying notes are an integral part of this financial statement.*

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances - Governmental Funds**

*For the Year Ended December 31,*

**2019**

	General Fund
<b>Revenues</b>	
Sales tax for economic development	\$ 1,136,659
Rental revenue	595,822
Miscellaneous income	54,599
Interest income	24,875
Total revenue	1,811,955
<b>Expenditures</b>	
Economic development projects	717,926
General and administrative	154,314
Other program costs	331,378
Rental expenditures	539,520
Capital outlay	121,539
Bond principal payments	200,000
Bond interest and fiscal charges	70,582
Total expenditures	2,135,259
Deficiency of revenue over expenditures	(323,304)
Fund balance at the beginning of year	2,047,212
Fund balance at the end of year	\$ 1,723,908

*The accompanying notes are an integral part of this financial statement.*

**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund  
Balances - Governmental Funds to Statement of Activities**

<i>For the Year Ended December 31,</i>	<b>2019</b>
Net changes in fund balances - total governmental funds	<b>\$ (323,304)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	<b>(751,514)</b>
Governmental funds report donation of capital assets as revenues. However, in the statement of activities, the donation of the capital assets are reduced by the related property that is removed from the statement of net position. This is the donation of land.	<b>(723,318)</b>
Governmental funds report the principal portion of debt as expenditures. In the statement of activities, the principal portion of the debt payment reduces the debt.	<b>200,000</b>
Change in net position of governmental activities	<b>\$ (1,598,136)</b>

*The accompanying notes are an integral part of this financial statement.*



**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

The Algiers Development District of the City of New Orleans (the District), a component unit of the City of New Orleans, is a special taxing district created by legislation embodied in Louisiana Revised Statute (R.S.) 33:2740.27, as amended, and effective June 1, 2009. The special taxing district is comprised of all territories within the fifteenth ward of Orleans Parish, State of Louisiana. The District is capable of levying ad valorem taxes on real estate in the District in conjunction with planning, developing, constructing or acquiring services, improvements or facilities within the District's territories. The District has been designated as a local redevelopment authority for the federal military base realignment purposes and has been authorized to incur debt, including revenue bonds, from revenue sources for its enumerated purposes. Annually, the budget is presented to the Council of the City of New Orleans for approval.

***The Reporting Entity***

Governmental accounting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. A component unit is a government who is financially accountable to another government or one for which another government can exert influence over its budget and operations. The District is considered to be a component unit of the City of New Orleans. The District does not have any component units.

***Basic Financial Statements – Government-Wide Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. There were no activities of the District categorized as business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basic Financial Statements – Fund Financial Statements***

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are ordered into three major categories: governmental, proprietary, and fiduciary, which are grouped by fund type in the financial statements. Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The general fund, the main operating fund of the District, is used to account for all remaining financial resources.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.



**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)***

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

***Budgetary Information***

***Budgetary basis of accounting***

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The District then legally adopts the budget, which is then approved by the City Council of New Orleans. Budgeted amounts for the General Fund included in the accompanying statements are as amended by the District for the year ended December 31, 2019.

***Cash and Cash Equivalents***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Management believes all cash and cash equivalents are reported at fair value.

***Sales Tax Revenue Receivable***

All receivables are booked at actual amounts. The District believed that all receivables were collectible at December 31, 2019, thus, no allowance for doubtful receivables is reported in the financial statements. Management believes sales tax revenue receivable is reported at fair value.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets***

Capital assets are reported in the government-wide financial statements, and are capitalized at historical cost. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets of the governmental funds are recorded as expenditures at the time they are purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District capitalizes assets with a value over \$1,000 and a useful life greater than one year.

Buildings and building improvements are depreciated over an estimated useful life of 15-40 years. Ramps and piers are depreciated over an estimated useful life of 25 years.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

***Long-Term Obligations***

Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due and paid.

***Net Position Classifications***

In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- a. *Net Investment in Capital Assets* – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. *Restricted* – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted amounts as of December 31, 2019.



**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- c. *Unrestricted* – All other net position is reported in this category.

***Fund Balance***

The District adopted GASB Codification Sections 1300 *Fund Accounting* and 1800 *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – consists of amounts with constraints either by third-parties (bond creditors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used for the specific purposes stipulated in the legislation.
- *Committed* – consists of the amounts used for specific purposes pursuant to constraints imposed by formal action of the District’s Board. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- *Assigned* – consists of amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources (committed, assigned and unassigned, in that order) are available for use.

The District did not have any nonspendable, restricted, or assigned amounts as of December 31, 2019.

***Program Revenues***

Program revenues consisted of grant and contract revenue earned during the year.



**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Expenditures***

Under the accrual basis of accounting, expenditures are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources/expenditures rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 21, 2020. See Note 11 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

**Note 2: CASH AND CASH EQUIVALENTS**

The District is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by the United States.

Deposits held in non-interest-bearing accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to \$250,000 by the Federal Deposit Insurance Corporation. As of December 31, 2019, the District had cash and cash equivalents in accounts at local financial institutions totaling \$766,199 which exceeded the FDIC insurance limit by \$433,984. The District had adequate pledged securities as of December 31, 2019 as required by LA R.S. 39:1225.

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Notes to Financial Statements**

**Note 3: CASH – LAMP**

Cash – LAMP Investments of \$1,121,938, which are stated at amortized cost using published market quotes at December 31, 2019, consisted of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 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 account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

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

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Notes to Financial Statements**

**Note 4: CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for the primary government are as follows:

	January 1, 2019	Additions	Deletions	December 31, 2019
<b>Non-depreciable assets</b>				
Land	\$ 14,240,992	\$ -	\$ (723,318)	\$ 13,517,674
<b>Depreciable assets</b>				
Buildings and improvements	27,944,400	121,539	-	28,065,939
Ramps and piers	1,051,225	-	-	1,051,225
Accumulated depreciation	(1,922,350)	(873,053)	-	(2,795,403)
Total depreciable assets	27,073,275	(751,514)	-	26,321,761
<b>Total Capital Assets</b>	<b>\$ 41,314,267</b>	<b>\$ (751,514)</b>	<b>\$ (723,318)</b>	<b>\$ 39,839,435</b>

**Note 5: BOND PAYABLE**

On August 1, 2012, the District entered into an agreement for a private placement bond offering totaling \$3,000,000 with a local bank. The agreement calls for quarterly payments of \$50,000 plus interest from October 2012 through July 2022 and a final payment of \$1,000,000 plus interest in August 2022. The bond carries an interest rate of 4.35%. This debt relates to the development and construction of a walking and bicycle path located on the levee of the Mississippi River in the Algiers area of Orleans Parish. As the land that will contain the walking and bicycle path is not owned by the District, the resulting capital assets of this project are not recorded in the financial statements of the District. The agreement states that the District will make required bond principal and interest payments using sales taxes received for economic development.

The beginning principal balance of the debt as of January 1, 2019 was \$1,700,000, interest payments for the year ended December 31, 2019 totaled \$70,582, and the principal balance as of December 31, 2019 is \$1,500,000.



**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Notes to Financial Statements**

**Note 5: BOND PAYABLE (Continued)**

The following is the schedule of future minimum payments based on the debt amortization schedule as of December 31, 2019:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 200,000	\$ 61,988	\$ 261,988
2021	200,000	53,288	253,288
2022	1,100,000	27,006	1,380,294

**Note 6: COOPERATIVE ENDEAVOR AGREEMENTS**

The District receives funds from a Cooperative Endeavor Agreement entered into with the City of New Orleans and the District, created by the New Orleans City Council authorized by R.S. 33:9038.1 et seq. receiving incremental state and city sales taxes from the Tax Increment Financing District (TIF), created pursuant to City of New Orleans Ordinance No. 24.920 M.C.S. According to the terms of the Cooperative Endeavor Agreement, on an accrual basis, the District shall receive the lesser of the incremental funds from the TIF or \$1,000,000 annually. The receipt of these funds is conditioned on the District receiving matching funds from the State of Louisiana pursuant to an agreement between the District and the State of Louisiana. TIF consists of sales tax generated from the Wal-Mart store and other parcel businesses located on Behrman Highway in Algiers. 1¼ cents of each of the city and state sales tax revenue is received by the District from the Cooperative Endeavor Agreement and the state match.

The use of the TIF is limited to a period of forty-two years as amended by the City Council and approved by the mayor on June 1, 2009 in accordance with City Ordinance No. 24.920. The District received \$571,185 from the City of New Orleans and \$565,474 from the State of Louisiana for the year ended December 31, 2019, of which \$163,451 and \$161,817 were due from the City of New Orleans and the State of Louisiana, respectively.

**Note 7: NET POSITION COMMITMENTS**

The committed fund balance of \$1,000,000 on the balance sheet – governmental funds represents an amount committed by a formal action of the Board to be used for emergencies. The amount requires a vote of the full Board for the funds to be expended.

**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Notes to Financial Statements**

**Note 8: ECONOMIC DEPENDENCY**

The District receives the majority of its operating revenue from funds provided through the TIF district pursuant to its Cooperative Endeavor Agreement (CEA) with the City of New Orleans. The terms of the CEA agreement expire June 1, 2051 with the expiration of the dedicated sales tax revenues to the TIF. The expiration of the TIF shall cause a significant reduction of revenue to the District with a resulting adverse impact on its operations.

**Note 9: LEASES**

On December 1, 2017, the District entered into a thirty year lease agreement which initiated an endeavor with LSU Health Foundation, New Orleans (the Foundation), to cooperate on the operation of the LSU Health Fitness & Wellness Center (formally known as the Riverside Fitness Center). This lease requires that the Foundation remit an annual lease payment of \$1 to the District payable on each December 31<sup>st</sup>. In addition to these requirements, the Foundation has also agreed to pay the District 50% of all billboard revenues in excess of the District's year one and year two contributions to be repaid, and a \$100,000 cash reserve that is to be maintained by the Foundation. This lease is cancelable with six month's notice from either party. As these payments are conditional on future economic events, disclosure of future lease payments is not possible.

The District also has lease arrangements with several corporate tenants occupying various spaces located in the District's Federal City and Federal City Retail Complex. Each of these leases have unique starting dates, maturity dates, and monthly payment amounts.

The following is the schedule of the District's future minimum lease collections based on the lease agreements (excluding agreements on a month-to-month basis) as of December 31, 2019:

	<b>Total</b>
2020	\$ 291,678
2021	252,522
2022	49,260
2023	22,210
2024	9,000



**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Notes to Financial Statements**

**Note 10: DEFERRED REVENUE**

In 2017, the District received state funds to expropriate blighted property in its service area. As there is not currently a specific piece of blighted property selected for remediation, this amount is also recorded as deferred revenue in the statement of net position as it is not earned until used for its specific purpose.

**Note 11: SUBSEQUENT EVENTS**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



**Required Supplementary  
Information (Part II)**

**Algiers Development District of the City of New Orleans**  
**(A Component Unit of the City of New Orleans)**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - General**  
**Fund - Budget to Actual (Budgetary Basis)**

For the Year Ended December 31,

2019

	Original Budget	Revised Budget	Actual	Favorable/ (Unfavorable) Variance
<b>Revenues</b>				
Sales tax for economic development	\$ 1,040,000	\$ 1,140,000	<b>\$ 1,136,659</b>	\$ (3,341)
Rental income	240,000	590,000	<b>595,822</b>	5,822
Miscellaneous income	30,000	50,000	<b>54,599</b>	4,599
Interest income	10,000	25,000	<b>24,875</b>	(125)
Total revenues	1,320,000	1,805,000	<b>1,811,955</b>	6,955
<b>Expenditures</b>				
Economic development	889,000	1,026,000	<b>717,926</b>	308,074
Capital outlay	-	121,540	<b>121,539</b>	1
General and administrative	92,000	162,500	<b>154,314</b>	8,186
Other program costs	14,000	24,000	<b>331,378</b>	(307,378)
Rental expense	-	540,000	<b>539,520</b>	480
Bond principal payments	200,000	200,000	<b>200,000</b>	-
Bond interest and fiscal charges	125,000	70,000	<b>70,582</b>	(582)
Total expenditures	1,320,000	2,144,040	<b>2,135,259</b>	8,781
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (339,040)</b>	<b>\$ (323,304)</b>	<b>\$ 1,826</b>

*See independent auditors' report.*



**Other Supplementary  
Information**

**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Schedule of Governing Board Compensation**

*For the Year Ended December 31,*

**2019**

<b>Board Member</b>	<b>Amount</b>
Senator Troy A. Carter (Chairman) P.O. Box 50730 New Orleans, LA 70150	\$ -0-
Mark Major (Treasurer) 80 Pinehurst Dr. New Orleans, LA 70131	-0-
Dell Dempsey (Secretary) 318 Pelican St. New Orleans, LA 70114	-0-
Representative Gary M. Carter, Jr. 3520 Gen. DeGaulle Dr., Suite 3071 New Orleans, LA 70114	-0-
Senator Jean-Paul "JP" Morrell 6001 Stars and Stripes Blvd. Suite 221 New Orleans, LA 70126	-0-
Paul A. Collins 3813 Lennox Boulevard New Orleans, LA 70131	-0-
Daniela Rivero-Bryant 329 Olivier St. New Orleans, LA 70114	-0-

*See independent auditors' report.*



**Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Schedule of Compensation, Benefits, and Other Payments to Agency Head**

*For the Year Ended December 31,*

**2019**

**Agency Head Name:** Senator Troy A. Carter, Chairman

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica & Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
<b>Total</b>	<b>\$ -</b>

\* Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees be reported as a supplemental report within the financial statement of local governmental and quasi-public auditees. In 2015 Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report. Senator Troy A. Carter did not receive any public funds in the current fiscal year.

*See independent auditors' report.*



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**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***

To the Board of Commissioners of  
Algiers Development District  
of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Algiers, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Algiers Development District of the City of New Orleans, a component unit of the City of New Orleans, (the District) as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District'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.

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

Metairie, Louisiana  
September 21, 2020



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

We have audited the basic financial statements of Algiers Development District as of and for the year ended December 31, 2019. 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 audit of the financial statements as of December 31, 2019 resulted in an unmodified opinion.

**SECTION I – SUMMARY OF AUDITORS’ REPORT**

*a. Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control:

Material Weaknesses  Yes  No

Significant Deficiencies  Yes  No

*b. Compliance:*

Compliance Material to Financial Statements  Yes  No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III - COMPLIANCE FINDINGS**

None noted.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS  
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2018-001 – Material Weakness - Ineffective Financial Closing Process (Originated in 2017)**

**Criteria:** GASB Codification Section 1600 *Basis of Accounting* requires that financial statements measure and report all assets (both financial and capital), deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the appropriate measurement focus and accrual basis of accounting.

**Auditors' recommendation:** We recommend that the District include and oversee all transactions under their control and responsibility in the financial records. We also recommend that the District design and implement internal controls over financial reporting to ensure timely and accurate closing of all financial records.

**Status:** Resolved.

**SECTION III - COMPLIANCE FINDINGS**

**2018-002 – Failure to Comply with Louisiana Ethics Law**

**Criteria:** The District should have a system in place to monitor board and employee compliance with Louisiana Revised Statute 42:1101-1124 [Code of Ethics]. Per LA RS 42:1101-1124, each employee, board member and / or elected official of the agency (public servant) must receive the annual ethics training as required.

**Auditors' recommendation:** The District should verify that all Board members are compliant with the State Ethics policy which requires each Board Member to read the District's ethics policy and complete the annual ethics training.

**Status:** Resolved.

**2018-003 – Failure to Amend Budget**

**Criteria:** Louisiana Revised Statute 39:1311 requires governments to amend their budgets when revenues are less than the budget and when expenditures exceed the budget by more than 5%.

**Auditors' recommendation:** The District should amend its budget to reflect actual totals.

**Status:** Resolved.



**Algiers Development District  
of the City of New Orleans  
(A Component Unit of the City of New Orleans)**

**AGREED-UPON PROCEDURES REPORT**

**For the Year Ended December 31, 2019**



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of  
Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
Algiers, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of Algiers Development District of the City of New Orleans (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The District is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories:

- a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

**Results: No exceptions were found as a result of applying this procedure.**

- b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results: No exceptions were found as a result of applying this procedure.**

- c. ***Disbursements***, including processing, reviewing, and approving

**Results: No exceptions were found as a result of applying this procedure.**

- d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

**Results: No exceptions were found as a result of applying this procedure.**

- e. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results: No exceptions were found as a result of applying this procedure.**

- f. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

**Results: No exceptions were found as a result of applying this procedure.**

- g. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

**Results: No exceptions were found as a result of applying this procedure.**

- h. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

**Results: No exceptions were found as a result of applying this procedure.**

- i. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, annually attest through signature verification that they have read The District's ethics policy.

**Results: No exceptions were found as a result applying this procedure.**

- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results: No exceptions were found as a result applying this procedure.**

- k. **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results: No exceptions were found as a result of applying the procedure.**

#### ***Board or Finance Committee***

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**Results: No exceptions were found as a result of applying the procedure.**

- b. Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

**Results: Four (4) of the six (6) District's meetings did not reference or include monthly budget-to-actual comparisons.**

- c. Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**Results: No exceptions were found as a result of applying the procedure.**



### ***Bank Reconciliations***

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3. Obtain a listing of the District's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Results: No exceptions were found as a result of applying the procedure.**

- b. Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results: No exceptions were found as a result of applying the procedure.**

- c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results: No exceptions were found as a result of applying the procedure.**

### ***Collections***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

**Results: No exceptions were found as a result of applying the procedure.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

**Results: No exceptions were found as a result of applying the procedure.**

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results: No exceptions were found as a result of applying the procedure.**

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**Results: No exceptions were found as a result of applying the procedure.**

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results: No exceptions were found as a result of applying the procedure.**

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results: No exceptions were found as a result of applying the procedure.**

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

**Results: No exceptions were found as a result of applying the procedure.**

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results: No exceptions were found as a result of applying the procedure.**

- c. Trace the deposit slip total to the actual deposit per the bank statement.

**Results: No exceptions were found as a result of applying the procedure.**

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results: No exceptions were found as a result of applying the procedure.**

- e. Trace the actual deposit per the bank statement to the general ledger.

**Results: No exceptions were found as a result of applying the procedure.**

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- 8. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results: No exceptions were found as a result of applying the procedure.**

- b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Results: No exceptions were found as a result of applying the procedure.**

- c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Results: No exceptions were found as a result of applying the procedure.**

- d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results: No exceptions were found as a result of applying the procedure.**

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

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

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

Metairie, Louisiana  
September 21, 2020



# ALGIERS DEVELOPMENT DISTRICT



## BOARD OF COMMISSIONERS:

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September 21, 2020

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Baton Rouge, LA 70804-9397

and

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures  
Algiers Development District of the City of New Orleans

Dear Sirs:

Algiers Development District of the City of New Orleans has updated our policies and procedures in regard to the comments for each financial function and made appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Lynn Honaker", is written over a printed name and title.

Kathy Lynn Honaker  
Executive Director