METAIRIE BUSINESS DEVELOPMENT DISTRICT

FINANCIAL REPORT

DECEMBER 31, 2025

METAIRIE BUSINESS DEVELOPMENT DISTRICT

TABLE OF CONTENTS

DECEMBER 31, 2025

DHHM certified public accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Grady C. Lloyd, III, CPA
Robynn P. Beck, CPA
J. Patrick Butler, III, CPA
Wesley D. Wade, CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA
Gregory J. Binder, IT Director
Colleen A. Casey, CPA
Jason C. Montegut, CPA
J. Michael Flynn, III CPA

Metairie
3510 N. Causeway Blvd.
Suite 500
Metairie, LA 70002
Phone: (504) 586-8866
Fax: (504) 525-5888

Covington
220 Park Place
Suite 101
Covington, LA 70433
Phone: (985) 892-8776
Fax: (985) 892-0952

Houma
1340 W. Tunnel Blvd.
Suite 412
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Slidell
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Harvey
2067 Paxton Street
Harvey, LA 70058
Phone: (504) 347-0441
Fax: (504) 347-0467

INDEPENDENT AUDITOR'S REPORT

June 30, 2026

To the Board of Directors
Metairie Business Development District
Metairie, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Metairie Business Development District, ("the District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Metairie Business Development District's basic financial statements as listed in the table of contents.

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 Metairie Business Development District as of December 31, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metairie Business Development District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Metairie Business Development District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. 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 Metairie Business Development District'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 Metairie Business Development District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule – General Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 Expenditures – Detailed (Budget and Actual) - General Fund, the Schedule of Per Diem Paid to Board Members, 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. 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 basic financial statements. The 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of Metairie Business Development 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 the effectiveness of Metairie Business Development District'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 Metairie Business Development District's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher LLP

Metairie, Louisiana

The Management's Discussion and Analysis of the Metairie Business Development District's financial performance presents a narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025. This analysis focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

This analysis should be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $2,028,729 (*net position*). Of this amount, $1,873,900 or 92.37% is the net investment in capital assets. The remaining balance of $154,829 (*unrestricted net position*) or 7.63% may be used to meet the District's ongoing obligations to citizens and creditors.

- The District's total net position decreased by $387,062 or 16.02% during the current year. The revenues of the District totaled $845,187, an increase of $621,256 from last year. The increase came from Jefferson Parish special CEA funds and a government CDBG grant. The expenses of the District totaled $1,232,249, an increase of $1,103,953 from last year. The increase in expenses is due to capital improvements, demolition of properties and revitalize Fat City in the District's public space operations and general and administrative expenses.

- At the close of the current fiscal year, the District's governmental fund (the General Fund) reported an ending fund balance of $154,829 a decrease of $387,062, or 71.43% in comparison with the prior year. This balance is available for spending at the government's discretion (*unassigned fund balance*).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements are designed to distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The District only has governmental activities.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's budget presentations. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund shows additional detailed financial information on the General Fund and is considered required supplementary information. The supplementary information, which includes the Schedule of Expenditures – Detailed (Budget and Actual) - General Fund, the Schedule of Per Diem Paid to Board Members, and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head, is also included.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $2,028,729 at December 31, 2025.

CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024	Change	Percentage Change
Assets:				
Current and other assets	$ 311,234	$ 544,841	$ (233,607)	-42.88%
Capital assets	1,873,900	1,873,900	-	0.00%
Total assets	$ 2,185,134	$ 2,418,741	$ (233,607)	-9.66%
Liabilities:				
Accounts payable	$ 156,405	$ 2,950	$ 153,455	5201.86%
Net Position:				
Net investment in capital assets	1,873,900	1,873,900	-	0.00%
Unrestricted	154,829	541,891	(387,062)	-71.43%
Total net position	2,028,729	2,415,791	(387,062)	-16.02%
Total liabilities and net position	$ 2,185,134	$ 2,418,741	$ (233,607)	-9.66%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

A portion of the District's net position ($1,873,900 or 92.37%) reflects its investment in capital assets (e.g., land) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The balance of *unrestricted net position* ($154,829 or 7.63%) may be used to meet the District's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities decreased the District's net position by $387,062 or 16.02%. Key elements of this decrease are as follows:

CONDENSED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024	Change	Percentage Change
REVENUES:				
General revenues:				
Jefferson Parish funding	$ 557,224	$ 217,776	$ 339,448	155.87%
Government grant	287,062	-	287,062	0.00%
Special events	-	3,750	(3,750)	-100.00%
Interest	901	2,405	(1,504)	-62.54%
Total revenues	845,187	223,931	621,256	277.43%
EXPENSES:				
Business Development:				
General and administrative	59,481	71,061	(11,580)	-16.30%
Communication and events	303	525	(222)	-42.29%
Economic development	292,011	7,615	284,396	3734.68%
Land and park development	612,600	18,213	594,387	100.00%
Public space operations	267,854	30,881	236,973	767.37%
Total expenses	1,232,249	128,296	1,103,953	860.47%
Changes in net position	(387,062)	95,635	(482,697)	-504.73%
Net position, beginning of year	2,415,791	2,320,156	95,635	4.12%
Net position, end of year	$ 2,028,729	$ 2,415,791	$ (387,062)	-16.02%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

- Jefferson Parish sales tax TIF received in 2025 was $200,000.
- The District received $357,224 from Jefferson Parish special funds in 2025.
- The District received $287,062 from HUD CDBG-DR
- Expenses totaled $1,232,249. The only function the District provides is the business development function. The majority of these costs related to general and administrative costs (professional fees, insurance, accounting, audit, and legal) and public space operations (tree and grass maintenance).

GENERAL FUND BUDGETARY HIGHLIGHTS

The District made some amendments to its original budget during the year ended December 31, 2025. The General Fund's actual revenues and expenditures varied from the final budget as follows:

- Revenues of the General Fund were budgeted at $562,974 and came in at $845,187, a favorable variance of $282,213. The variance had to do with additional CDBG grant received.
- Expenditures of the General Fund were budgeted at $1,173,646 and came in at $1,232,249, a negative variance of $58,603. The reason expenditures are more than budgeted amounts is because the District spent more in economic development this year.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets. The District's investment in capital assets for its governmental activities as of December 31, 2025 amounts to $1,873,900 (net of accumulated depreciation). This investment in capital assets consists of land.

Long-term Debt. The District had no long-term debt at year-end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the Parish of Jefferson at December 31, 2025 was 3.7%, which was 0.10% lower than it was a year ago.

- The Cooperative Endeavor Agreement with Jefferson Parish adopted on May 19, 2021 increased the Sales Tax TIF funding to allow up to $400,000 per year. The District drew down $200,000 during 2025 from this funding.

- All of these factors were considered in preparing the District's budget for 2026.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dana Pecoraro, Board Chair, 3613 Hessmer Ave, Suite 200, Metairie, LA 70002.

FINANCIAL STATEMENTS

METAIRIE BUSINESS DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

CURRENT ASSETS:		
Cash and cash equivalents	$	62,749
Due from government		248,485
Total current assets		311,234
NONCURRENT ASSETS:		
Capital assets, net of depreciation		1,873,900
Total noncurrent assets		1,873,900
TOTAL ASSETS	$	2,185,134
LIABILITIES AND NET POSITION:		
LIABILITIES:		
Accounts payable	$	156,405
TOTAL LIABILITIES		156,405
NET POSITION:		
Net investment in capital assets		1,873,900
Unrestricted		154,829
Total net position		2,028,729
TOTAL LIABILITIES AND NET POSITION	$	2,185,134

See accompanying notes.

METAIRIE BUSINESS DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position
Function/Programs	Expenses	Charges for Services	Capital Grants	Operating Grants	Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Business Development:					
General and administrative costs	$ 59,481	$ -	$ -	$ -	$ (59,481)
Communication and events	303	-	-	-	(303)
Economic development	292,011	-	287,062	-	(4,949)
Land and park development	612,600	-	-	-	(612,600)
Public space operations	267,854	-	-	-	(267,854)
TOTAL GOVERNMENTAL ACTIVITIES	$ 1,232,249	$ -	$ 287,062	$ -	(945,187)

General Revenues:	
Jefferson Parish funding	557,224
Interest	901
Total general revenues	558,125
CHANGE IN NET POSITION	(387,062)
Net Position - beginning of year	2,415,791
NET POSITION - end of year	$ 2,028,729

See accompanying notes.

METAIRIE BUSINESS DEVELOPMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

ASSETS:		
Cash and cash equivalents	$	62,749
Due from government		248,485
TOTAL ASSETS	$	311,234
LIABILITIES AND FUND BALANCE:		
LIABILITIES:		
Accounts payable	$	156,405
TOTAL LIABILITIES		156,405
FUND BALANCE:		
Unassigned		154,829
TOTAL FUND BALANCE		154,829
TOTAL LIABILITIES AND FUND BALANCE	$	311,234

See accompanying notes.

METAIRIE BUSINESS DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Total fund balance at December 31, 2025 - Governmental Fund	$	154,829
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Capital assets		1,873,900
Net position of governmental activities	$	2,028,729

See accompanying notes.

METAIRIE BUSINESS DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

REVENUES:		
Jefferson Parish funding	$	557,224
Government grant		287,062
Interest		901
Total revenues		845,187
EXPENDITURES:		
General and administrative costs		59,481
Communication and events		303
Economic development		292,011
Land and park development		612,600
Public space operations		267,854
Total expenditures		1,232,249
NET CHANGE IN FUND BALANCE		(387,062)
Fund balance - beginning of year		541,891
FUND BALANCE - end of year	$	154,829

See accompanying notes.

METAIRIE BUSINESS DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Total net change in fund balance - Governmental Fund	$ (387,062)
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 cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	-
Change in net position of governmental activities	$ (387,062)

See accompanying notes.

NATURE OF OPERATIONS

The District is a special district in the Parish of Jefferson, Louisiana which was created by Louisiana Revised Statute (LSA-RS 33:1420.19) in 2014 and authorized by the Parish Council in May 2015. Operations began on June 8, 2015. The District is governed by a Governing Board of nine members, all of whom shall be qualified voters of the Parish and at least seven of whom shall have their principal place of business in, their principal domicile in, or own property in the district. The Board is appointed as follows:

- One member shall be appointed by the Parish President
- One member shall be appointed by the Sheriff of Jefferson Parish
- Two members shall be appointed by the At-large members of the Parish Council
- Three members shall be appointed by the District 5 Councilperson
- One member shall be appointed by the State Senator representing the area, and
- One member shall be appointed by the State Representative representing the area.

The board administers the operations and responsibilities in accordance with the provisions of Louisiana statutes. The District is comprised of the property in Jefferson Parish bounded by Veterans Memorial Boulevard, Causeway Boulevard, West Esplanade Avenue, and Division Street and the development sites fronting on the west side of Division Street.

The District is capable of levying taxes or parcel fees on real estate within the District boundaries; it can sue or be sued; it can accept by gift, grant or donation any sum of money, property, aid, or assistance from federal, state or local entities, or any person, firm or corporation. It can acquire by gift, grant, purchase, or lease such property as may be necessary for carrying out its objectives and it may incur debt in its own name.

The District was formed for the purpose of promoting, encouraging, and participating in projects or plans to stimulate the economy through commerce, industry, and research and for the utilization and development of natural, physical, and human resources in the area that it covers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements of the Metairie Business Development District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Government-wide Financial 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. Because of the nature of the District's operations, it reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense 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.

Fund Financial Statements

Funds are used by the District 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. The funds of the District are classified into the governmental category. The category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government. The District has only one fund, the General Fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenue available if they are collected within 60 days after year-end. Taxes, intergovernmental revenues, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting.

Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include amounts in demand deposit accounts.

Capital Assets

Capital assets, which include land, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, if any, are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- Net investment in capital assets (net of accumulated depreciation), reduced by the outstanding balance of any debt proceeds used for the acquisition, construction or improvements of those assets;

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Position (Continued)

- Restricted, which includes major categories of restrictions and consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and

- Unrestricted, consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance

Fund balance is classified in the following components:

- *Nonspendable* includes fund balance amounts that cannot be spent either because it is in nonspendable form (such as inventory) or because of legal or contractual constraints.

- *Restricted* includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers (such as grantors, bondholders, and higher levels of government) or amounts constrained due to constitutional provisions or enabling legislation.

- *Committed* includes fund balance amounts that are constrained for specific purposes that are imposed by the District itself, using its highest level of decision-making authority. For committed fund balances, the District Board is considered to be the highest level of decision-making authority.

- *Assigned* includes fund balance amounts the District intends to use for specific purposes that are neither considered restricted nor committed. For assigned fund balances, the District's Chairman may assign amounts to a specific purpose.

- *Unassigned* fund balance amounts include the residual amounts of fund balance which do not fall into one of the other components. This is the residual classification for the General Fund. As of December 31, 2025, the District had $541,891 in unassigned fund balance.

While the District has not established a policy for its use of unrestricted fund balances, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budget

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 via a resolution, which is then submitted to and approved by the Parish of Jefferson.

The General Fund's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances are not recorded for budgetary purposes. Expenditures may not exceed appropriations at the function/segment level within the fund. All annual appropriations which are not expended lapse at year end.

The budgeted amounts represent the original budget and any amendments. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

2. CASH:

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. At December 31, 2025, the District had cash balances totaling $62,749.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District’s deposits may not be recovered.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

2. CASH: (Continued)

Deposit balances (bank balances) at December 31, 2025, are secured as follows:

Bank balance	$ 87,709
Insured	250,000
Collateralized by pledging bank in District's name	1,033,625
Over-insured	$ 1,195,916

3. CAPITAL ASSETS:

The following is a summary of changes in capital assets during the year:

	Balance January 1, 2025	Additions	Disposals	Balance December 31, 2025
Capital assets, nondepreciable:				
Land	$ 1,873,900	$ -	$ -	$ 1,873,900
Total capital assets, net	$ 1,873,900	$ -	$ -	$ 1,873,900

4. REVENUE:

The District receives funds under a Cooperative Endeavor Agreement (CEA) with Jefferson Parish. Under this agreement, the Parish allows the District to expend funds generated from incremental sales taxes in the Metairie Central Business District Trust Fund No. 1 (a Tax Increment Financing (TIF) District). Under the terms of the agreement, the District can request funding from the TIF for operations and capital projects up to $400,000, subject to approval by the Parish Council. During 2025, the District received $200,000 from the sales tax TIF, $175,000 from Jefferson Parish contribution to the demolition of properties expenses, and $287,062 from a Cooperative Endeavor Agreement with the Parish of Jefferson for planning and improvements to the 17th Street. This represents 78% of total revenues.

In 2025, the District signed a Cooperative Endeavor Agreement with the Parish of Jefferson for the implementation and management of four CDBG-DR projects awarded under the Resilient Community Infrastructure Program RCIP under the U.S. Department of Housing and Urban Development HUD Community Development Block Grant CDBG-DR program through the State of Louisiana Office of Community Development OCD for disaster recovery for a contract amount of $11,639,000. The four projects included in this agreement are Fat City Complete Streets Retrofit, Fat City Leisure Park and Parking Annex, Fat City Strategic Plan Part I, and Fat City Strategic Plan Part II. The District received $287,062 from this agreement during the year ended at December 31, 2025.

5. COMMITMENTS AND CONTINGENCIES:

The District is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers. In each policy, the District is responsible for the applicable deductible.

REQUIRED
SUPPLEMENTARY INFORMATION

METAIRIE BUSINESS DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgetary Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Jefferson Parish funding	$ 200,000	$ 557,224	$ 557,224	$ -
Government grant	-	-	287,062	287,062
Special events	3,000	3,750	-	(3,750)
Interest	2,040	2,000	901	(1,099)
Total Revenues	205,040	562,974	845,187	282,213
EXPENDITURES:				
General Government:				
General and administrative costs	62,076	66,176	59,481	6,695
Communication and events	720	720	303	417
Economic development	-	225,750	292,011	(66,261)
Land and park development	-	618,500	612,600	5,900
Public space operations	8,400	262,500	267,854	(5,354)
Total Expenditures	71,196	1,173,646	1,232,249	(58,603)
NET CHANGE IN FUND BALANCE	133,844	(610,672)	(387,062)	223,610
Fund balance - beginning of year	541,891	541,891	541,891	-
FUND BALANCE - end of year	$ 675,735	$ (68,781)	$ 154,829	$ 223,610

Note: The budgetary schedule has been prepared on the modified accrual basis of accounting, which is consistent with the accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

METAIRIE BUSINESS DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES - DETAILED (BUDGET AND ACTUAL)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgetary Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
General government:				
General and Administrative Costs:				
Accounting fees	$ 12,000	$ 14,000	$ 14,000	$ -
Audit fees	6,600	7,200	7,200	-
Computer and internet	-	-	-	-
Insurance premiums	3,000	3,000	2,251	749
Legal fees	15,600	15,600	8,288	7,312
Office supplies	840	840	1,026	(186)
Bank service charges	36	36	42	(6)
Professional fees - other	-	-	-	-
Professional fees - project manager	24,000	24,000	24,000	-
Rent expense	-	1,500	2,674	(1,174)
	62,076	66,176	59,481	6,695
Communication and Events:				
Website design and maintenance	720	720	303	417
	720	720	303	417
Economic Development:				
Professional fees	-	225,750	292,011	(66,261)
	-	225,750	292,011	(66,261)
Land and Park Development:				
Legal and professional fees	-	1,500	-	1,500
Demolition fees	-	610,000	606,500	3,500
Land improvements	-	7,000	6,100	900
	-	618,500	612,600	5,900
Public Space Operations:				
Tree/grass maintenance	3,600	7,000	7,830	(830)
Signs and mural lights	4,800	47,000	46,189	811
Professional fees	-	8,500	8,474	26
Public Space - Capital Improvements	-	200,000	205,361	(5,361)
	8,400	262,500	267,854	(5,354)
TOTAL EXPENDITURES	$ 71,196	$ 1,173,646	$ 1,232,249	$ (58,603)

METAIRIE BUSINESS DEVELOPMENT DISTRICT
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

Board Member	Position	Appointed By	Amount
Dana Pecoraro	Chair	District 5 Councilperson	$ -
Brian Lade	Vice-Chair	District 5 Councilperson	-
Barry Breaux	Treasurer	Parish President	-
Charles Silbernagel	Secretary	At Large Division B Councilperson	-
Mel Grodsky	Board Member	District 5 Councilperson	-
Tommy Cvitanovich	Past Chair	State Senator District 9	-
Joseph Riccobono	Board Member	State Representative District 94	-
Capt. David Roddy	Board Member	Sheriff	-
Oscar Chimal	Board Member	At Large Division A Councilperson	-
Total			$ -

METAIRIE BUSINESS DEVELOPMENT DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Dana Pecoraro, Board Chair

	Amount
Salary	$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-medicare	-
Benefits-worker's compensation	-
Benefits-unemployment	-
Cell phone	-
Uniforms	-
Per diem	-
Reimbursements-advertising	-
Travel	-
Fuel usage	-
Continuing professional education fees and conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
TOTAL	$ -

DHHM certified public accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Grady C. Lloyd, III, CPA
Robynn P. Beck, CPA
J. Patrick Butler, III, CPA
Wesley D. Wade, CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA
Gregory J. Binder, IT Director
Colleen A. Casey, CPA
Jason C. Montegut, CPA
J. Michael Flynn, III CPA

Metairie
3510 N. Causeway Blvd.
Suite 500
Metairie, LA 70002
Phone: (504) 586-8866
Fax: (504) 525-5888

Covington
220 Park Place
Suite 101
Covington, LA 70433
Phone: (985) 892-8776
Fax: (985) 892-0952

Houma
1340 W. Tunnel Blvd.
Suite 412
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Slidell
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Harvey
2067 Paxton Street
Harvey, LA 70058
Phone: (504) 347-0441
Fax: (504) 347-0467

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*

June 30, 2026

To the Board of Directors
Metairie Business Development District
Metairie, 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 Metairie Business Development District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 30, 2026.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. 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 or significant deficiencies may exist that were not identified.

Report on 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 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 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 Statue 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher LLP

Metairie, Louisiana

METAIRIE BUSINESS DEVELOPMENT DISTRICT
SUMMARY SCHEDULE FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the District for the year ended December 31, 2025 was unmodified.

2. Internal Control

Material weaknesses:	None noted
Significant deficiencies:	None noted

3. Compliance and Other Matters

Noncompliance material to financial statements: None noted

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

METAIRIE BUSINESS DEVELOPMENT DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE PERIOD JANUARY 1, 2025
THROUGH DECEMBER 31, 2025

METAIRIE BUSINESS DEVELOPMENT DISTRICT

TABLE OF CONTENTS

FOR THE PERIOD

JANUARY 1, 2025-DECEMBER 31, 2025

PAGE

DHHM
certified public accountants

Duplantier
Hrapmann
Hogan &
Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Grady C. Lloyd, III, CPA
Robynn P. Beck, CPA
J. Patrick Butler, III, CPA
Wesley D. Wade, CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA
Gregory J. Binder, IT Director
Colleen A. Casey, CPA
Jason C. Montegut, CPA
J. Michael Flynn, III CPA

Metairie
3510 N. Causeway Blvd.
Suite 500
Metairie, LA 70002
Phone: (504) 586-8866
Fax: (504) 525-5888

Covington
220 Park Place
Suite 101
Covington, LA 70433
Phone: (985) 892-8776
Fax: (985) 892-0952

Houma
1340 W. Tunnel Blvd.
Suite 412
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Slidell
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Harvey
2067 Paxton Street
Harvey, LA 70058
Phone: (504) 347-0441
Fax: (504) 347-0467

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

June 30, 2026

To the Board of Directors and Management of
Metairie Business Development District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Metairie Business Development District's management is responsible for those C/C areas identified in the SAUPs.

Metairie Business Development District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) ***Written Policies and Procedures***

A. **Procedure**: Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

ii. ***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.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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 (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

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

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

viii. ***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).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Information Technology 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.

xi. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

2) *Board or Finance Committee*

A. **Procedure**: 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:

i. 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.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds4, and semi-annual

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

3) ***Bank Reconciliations***

A. **Procedure**: Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity'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 each selected account, and observe that:

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

   ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

   Result: No findings were noted as a result of applying the above agreed-upon procedures.

4) ***Collections (excluding electronic funds transfers)***

A. **Procedure**: 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. **Procedure**: 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:

   i. Employees responsible for cash collections do not share cash drawers/registers.

   ii. 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.

   iii. 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.

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

C. **Procedure**: Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

D. **Procedure**: Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

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

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe 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 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

5) ***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

A. **Procedure**: Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. **Procedure**: For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

ii. At least two employees are involved in processing and approving payments to vendors.

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payment; and

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

C. **Procedure**: For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

D. **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payable-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

6. Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

B. **Procedure**: Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

   i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

   ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. **Procedure**: Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

   Result: No findings were noted as a result of applying the above agreed-upon procedures.

7. Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. **Procedure**: 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 and 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:

   i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
   ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. 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 Policies and Procedures procedure #1A(vii); and

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

Result: No findings were noted as a result of applying the above agreed-upon procedures.

8. Contracts

A. **Procedure**: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

9. Payroll and Personnel

A. **Procedure**: Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. **Procedure**: Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

C. **Procedure**: Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree to pay rates to the employee's or official's authorized pay rates in the employe's or official's personnel files, and agree the termination payment to entity's policy.

D. **Procedure**: Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

10) *Ethics*

A. **Procedure**: Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. **Procedure**: Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

11) Fraud Notice

A. **Procedure**: Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. **Procedure**: Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

12) Information Technology Disaster Recovery/Business Continuity

A. **Procedure**: Perform the following procedures, verbally discuss the Result with management, and report "We performed the procedure and discussed the Result with management."

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Result: We performed the procedure and discussed the Result with management.

B. **Procedure**: Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Result: We performed the procedure and discussed the Result with management.

C. **Procedure**: Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

13) Prevention of Sexual Harassment

A. **Procedure**: Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Result: We performed the procedure and discussed the Result with management.

B. **Procedure**: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Result: No findings were noted as a result of applying the above agreed-upon procedures.

Procedure: Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Result: No findings were noted as a result of applying the above agreed-upon procedures.

We were engaged by Metairie Business Development District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to, and did not, conduct an examination or review engagement, 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.

We are required to be independent of Metairie Business Development District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the Result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher LLP

Metairie, Louisiana