

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
ADDED-UPON PROCEDURES
(CONTINUED)

MONITORING

- a. The MIF monitoring file (i.e. the site visit file) was obtained for the selected eight (8) grantees and scanned for completeness.

MIF had programmatic monitoring files for three (3) of the eight (8) grantees, but there was no fiscal monitoring performed for any of the eight (8). It was also noted, that the contracts did not contain a provision for the grantees to be in compliance with the state and local laws, such as, audits, procurements, etc.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of the City's Economic Development Fund, the City's Audit Committee and the City Council and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Bruno & Tervolin
BRUNO & TERVALIN
CERTIFIED PUBLIC ACCOUNTANTS

March 8, 1987

**CITY OF NEW ORLEANS
ECONOMIC DEVELOPMENT FUND**

BACKGROUND OF THE ECONOMIC DEVELOPMENT FUND, CONTINUED

PRIOI PROCESS, CONTINUED

These contracts also required interim and final performance reports to be delivered to the EDF within certain reporting dates. The description of these performance reports was somewhat vague in what was required; however, the timing of the reports was clearly documented in the contracts. Most of the contracts contained a clause limiting the initial amount disbursed to 85% of the amount appropriated by the Council; the final 15% was released after the completion of the final performance report.

CURRENT PROCESS

For the 1994 and 1995 allocations, the proposal and approval process is still functioning essentially as described above. Additionally, application guidelines are now documented in the "Division of Economic Development Policy and Planning" summary. The application process includes the submission of a project control sheet, executive summary, project narrative and detailed budget information. The project control sheet contains information about the applying organization. The executive summary contains concise statements about the organization's history, its experience in carrying out economic development projects and a problem statement explaining precisely the economic problem its project will address. The project narrative is an overview of the project to be performed including, among other things, the scope of work, a cost/benefit analysis and a marketing plan.

**CITY OF NEW ORLEANS
ECONOMIC DEVELOPMENT FUND**

BACKGROUND OF THE ECONOMIC DEVELOPMENT FUND

GENERAL

The City of New Orleans (the City) Economic Development Fund (EDF) was established through a special election in 1991 that authorized a special millage of 2.5 mills on all property subject to taxation in the City. The millage commenced in 1992. On July 15, 1995, a special election was held, resulting in the re dedication of this 2.5 mills, which will now be split between the EDF and the Neighborhood Housing Improvement Fund (NHIF). The administration of this fund required the creation of an Economic Development Advisory Committee, which would in turn recommend specific projects to the Mayor subject to ultimate approval by the City Council. These projects are limited to economic development projects or activities that create new jobs or enhance the creation of wealth in the City.

FUND PROCESS

In prior years, proposals were required to be submitted to the EDF on prescribed forms, which included organization type, years in existence, current funding sources, description of project, use of funds, creation of jobs and reason for being an economic catalyst. The EDF staff evaluated the proposals and met with the Economic Development Advisory Committee, which recommended grant recipients and amounts to be funded to the Mayor's office. The Mayor's office recommended amounts and recipients to the City Council, which approved the allocations of the millages. Once allocated by ordinance, these funds were reflected in the accounting records.

Once the allocations of the expected millages were approved by the Council, the EDF and the grantees entered into a contract, which described the project cost and financing summary, scope of work, and measurable levels of project completion with specific completion dates. This contract was approved by four different department heads outside the EDF and the Mayor. Contract amounts became formally encumbered in the accounting records once all the required signatures were obtained and a requisition submitted.

CITY OF NEW ORLEANS
 ECONOMIC DEVELOPMENT FUND

RELATIVE VALUE REPORT
 POSITION THROUGH DECEMBER 31, 1984

Project/Name	EQUITY ALLOCATED			Total Assets Allocated		TOTAL PERFORMED		Total Performed Relative to EQUITY		Total Assets Allocated to EQUITY
	1984	1983	1982	1984	1983	1984	1983	1984	1983	
RE. COACEL	-	-	-	8,000	8,000	-	-	-	-	8,000
RE. Harbor Channel	-	-	-	8,000	8,000	-	-	8,000	8,000	-
RE. The Green House Building and Site	-	-	-	2,000	8,000	-	-	2,000	8,000	-
RE. Trucking Marketing Expenses	-	-	-	8,000	8,000	-	-	8,000	8,000	-
RE. Joseph Pines Lodge / Grand Jubilee at Bienville	-	-	-	8,000	8,000	-	-	8,000	8,000	8,000
Total				32,000	32,000			32,000	32,000	
Administrative Exp. Contingency Interest and Other Allowances	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Investment/Project Value	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Interest on Investment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000

(1) Information is shown only for the 1984 budget. (2) Total EQUITY to date is shown.
 (3) Total EQUITY to date is shown. (4) Interest on Investment. (5) Interest on Investment.
 (6) Interest on Investment. (7) Interest on Investment. (8) Interest on Investment.
 (9) Interest on Investment. (10) Interest on Investment. (11) Interest on Investment.

INDEPENDENT ACCOUNTANTS' REPORT

To the Audit Committee of
the City Council of the
City of New Orleans

We have compiled the Grantee Status Report of the City of New Orleans Economic Development Fund for the period from inception through December 31, 1994 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement and, accordingly, do not express an opinion or any form of assurance on it.

The accompanying statement was prepared to present the funds allocated, disbursed and encumbered of the City of New Orleans' Economic Development Fund and is not intended to be in conformity with generally accepted accounting principles and a complete presentation of the Economic Development Fund's assets, liabilities, revenues or expenses.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the statement, they might influence the user's conclusions about the grantee status report. Accordingly, this statement is not designed for those who are not informed about such matters.

This report is intended solely for the information and use of the Audit Committee of the City Council of the City of New Orleans, and management of the Economic Development Fund and should not be used for any other purpose.

Bruno & Tervalon

BRUNO & Tervalon
CERTIFIED PUBLIC ACCOUNTANTS

March 3, 1995

EXIT CONFERENCE

An exit conference was held and those individuals participating in the discussion were as follows:

CITY OF NEW ORLEANS ECONOMIC DEVELOPMENT FUND

Mrs. Tabin Adikalin -- EDF Manager

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA -- Managing Partner

Mr. Edward J. Tervalon, CPA -- Manager

Ms. Madeline Scott, CPA -- Senior

The contents of this report and the Greater States Report were discussed. This report is intended for the use of the City Council, Audit Committee and the City Administration.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 5, 1997

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**
(CONTINUED)

APPLICATION AND APPROVAL PROCESS, CONTINUED

- B. The selected grantee funding proposals were inspected to ensure that they were submitted on the prescribed forms.
- No instances of non-compliance were noted as a result of performing this procedure.
- C. The selected grantee approved contracts were examined to verify that all necessary signatures were obtained, the contracts included a description of the project costs, financing summary, scope of work, and with specific completion dates.
- No instances of non-compliance were noted as a result of performing this procedure.

REPORTING

1. For the eight (8) grantees previously selected, each required interim and/or final performance reports was inspected to ensure that they were submitted in a timely manner.
- No interim reports were on file for two (2) of the eight (8) grantees that were selected for our review. The remaining reports were submitted in a timely manner.

DISBURSEMENT OF FUNDS

1. The contracts for the eight (8) selected grantees were inspected to ensure that the appropriate supporting documentation was on file before the funds were disbursed.
- No instances of non-compliance were noted as a result of this procedure. However, it was noted that the contracts that were written prior to January 1988 did not include adequate provisions relating to what items the grantees were to provide in support of their request for reimbursements. Therefore, there was no consistency as to what IDP was obtaining from the respective grantees.

& Tervalou

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

To the Audit Committee of the
City Council of the
City of New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the City of New Orleans (the City) Economic Development Fund (EDF), and the city's audit committee solely to assist you in evaluating management's assertions about the City of New Orleans' Economic Development Fund's compliance with certain control procedures during the fifteen month period October 1, 1993 through December 31, 1994. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specific 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 findings are as follows:

APPLICATION AND APPROVAL PROCESS

1. Eight (8) grantees were selected from the Grantee Status Report for the fifteen month period ending December 31, 1994 and the following procedures were performed:
 - A. The selected grantee files were inspected to ensure that the application included the submission of a project control sheet, an executive summary, a project narrative, and a detailed budget.

No instances of non-compliance were noted as a result of performing this procedure.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1
EXIT CONFERENCE	4

2191

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10-1-1996

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**CITY OF NEW ORLEANS
ECONOMIC DEVELOPMENT FUND**

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the audited, or reviewed, entity and other appropriate public officials. This report is available for public inspection at the Elysian Room office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date _____

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

**FOR THE FIFTEEN MONTH PERIOD
OCTOBER 1, 1995 THROUGH DECEMBER 31, 1996**

CITY OF NEW ORLEANS
ECONOMIC DEVELOPMENT FUND

INDEPENDENT ACCOUNTANTS' REPORT
ON THE
GRANTEE STATUS REPORT

FOR THE PERIOD FROM INCEPTION
THROUGH DECEMBER 31, 1996

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS