

ANNUAL FINANCIAL REPORT
ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>FINANCIAL SECTION</u>		
<u>INDEPENDENT AUDITORS' REPORT</u>		1 – 4
<u>REQUIRED SUPPLEMENTARY INFORMATION (PART I)</u>		
Management’s Discussion and Analysis		5 – 7
<u>BASIC FINANCIAL STATEMENTS</u>		
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)		
Statement of Net Position	A	8
Statement of Activities.....	B	9
FUND FINANCIAL STATEMENTS (FFS)		
Governmental Fund:		
Balance Sheet	C	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities.....	F	13
NOTES TO FINANCIAL STATEMENTS		14 – 26
<u>REQUIRED SUPPLEMENTARY INFORMATION (PART II)</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Governmental Fund.....	G	27
<u>OTHER SUPPLEMENTARY INFORMATION</u>		
Schedule of Governing Board Compensation.....	H	28
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	I	29
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 <i>Government Auditing Standards</i>		30 – 31
Schedule of Findings and Responses		32
Summary Schedule of Prior Year Findings.....		33
Management’s Corrective Action Plan.....		34



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)
New Orleans, 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 the 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, 2022, and the related notes to the financial statements, which collectively comprise Algiers Development District of the City of New Orleans'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 the Algiers Development District of the City of New Orleans as of December 31, 2022, 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

Change in Accounting Principle

As discussed in Notes 1 and 10 to the financial statements, the District adopted GASB 87, *Leases*, which resulted in the recognition of lease receivable and deferred inflow of resources. Our opinion is not modified with respect to that matter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *The Louisiana Governmental Audit Guide*, 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 the 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.



Algiers Development District of the City of New Orleans
(A Component Unit of the City of New Orleans)
July 24, 2023
Page 2

Responsibilities of Management 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, 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 the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the District's internal control. Accordingly, no such opinion is expressed.



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

July 24, 2023

Page 3

- 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 the 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 budgetary comparison information on pages 5-7 and 27 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.



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

July 24, 2023

Page 4

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 accompanying schedule of compensation, benefits and other payments to agency head and the schedule of governing board compensation are presented to comply with the requirements issued by the State of Louisiana and are not required parts of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head and schedule of governing board compensation are 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. 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 information 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 July 24, 2023 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 the effectiveness of the 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 the District's internal control over financial reporting and compliance.

July 24, 2023

New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

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
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

The Management's Discussion and Analysis (MD&A) of Algiers Development District of the City of New Orleans's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued June 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

At December 31, 2022, the District's assets exceeded its liabilities by \$39,320,052 (net position). Of this amount, \$1,442,834 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens and creditors. The District's total net position decreased by \$190,753 for the year ended December 31, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The minimum requirements for financial reporting on the District that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the District from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund).
- (2) Fund Financial Statements present information on the individual fund of the District's office allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements are dependent on the fund type. The District's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
Current and other assets	\$ 4,463,979	\$ 3,368,561
Capital assets, net	37,877,218	38,153,916
Total assets	42,341,197	41,522,477
Current liabilities	892,455	894,581
Non-current liabilities	920,000	985,000
Total liabilities	1,812,455	1,879,581
Total deferred inflows of resources	1,208,690	132,091
Net investment in capital assets	37,877,218	38,153,916
Unrestricted	1,442,834	1,356,889
Total net position	\$ 39,320,052	\$ 39,510,805

The total net position of the District decreased \$190,753, or 0.5%, from the prior year. This is primarily due to increased expenses offset by insurance proceeds received.

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues		
Program revenues		
Charges for services	\$ 697,295	\$ 618,463
General revenues	2,539,567	2,860,296
Total revenues	3,236,862	3,478,759
Expenses		
Economic development	2,055,187	2,023,934
General government	1,335,338	1,135,786
Interest expense	37,090	53,288
Total expenses	3,427,615	3,213,008
Net change in fund balance	(190,753)	265,751
Net position, beginning of year	39,510,805	39,245,054
Net position, end of year	\$ 39,320,052	\$ 39,510,805

The change in net position decreased \$456,504, or 172%, is primarily due to increased expenses offset by insurance proceeds collected in 2022.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022**

CAPITAL ASSETS ADMINISTRATION

The District had \$37,877,218 invested in a broad range of capital assets, including buildings and other related improvements, and ramps and piers as of December 31, 2022. This amount represents the original purchase price of capital assets on hand at year-end. The table below lists the capital assets by type, net of accumulated depreciation:

	2022	2021
Land	\$ 13,517,674	\$ 13,517,674
Buildings and improvements	28,746,125	28,129,817
Ramps and piers	1,051,225	1,051,225
	43,315,024	42,698,716
Less: accumulated depreciation	(5,437,806)	(4,544,800)
Capital assets, net of accumulated depreciation	\$ 37,877,218	\$ 38,153,916

DEBT ADMINISTRATION

The District's total long-term debt decreased by \$93,750 during the year ended December 31, 2022 as a result of regularly scheduled debt service payments.

	2022	2021
Bond payable, current portion	\$ 86,250	\$ 115,000
Bond payable, non-current portion	920,000	985,000
Total	\$ 1,006,250	\$ 1,100,000

BUDGET ANALYSIS

A comparison of budget to actual operations is required information and is presented in the accompanying financial statements.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

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, 2023. Anticipated revenues are approximately \$1,800,000 while anticipated expenditures total \$1,980,000. This is primarily due to the anticipated increase in city and state revenue and increase in insurance costs.

CONTACTING THE DISTRICT

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.

BASIC FINANCIAL STATEMENTS

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS:

Current assets:

Cash and cash equivalents	\$ 2,418,753
Funds held in trust - Property One	183,369
Sales tax revenue receivable	373,304
Rental receivables	211,294
Lease receivable	304,587
Prepaid items	<u>132,052</u>
 Total current assets	 <u>3,623,359</u>

Non-current assets:

Deposits	13,545
Lease receivable - net of current portion	827,075
Capital assets, net of depreciation	<u>37,877,218</u>
 Total non-current assets	 <u>38,717,838</u>
 Total assets	 <u>42,341,197</u>

LIABILITIES:

Current liabilities:

Accounts payable	447,370
Rental liabilities	37,647
Unearned revenue	250,000
Note payable, current portion	71,188
Bond payable, current portion	<u>86,250</u>
 Total current liabilities	 <u>892,455</u>

Non-current liabilities:

Bond payable, net of current portion	<u>920,000</u>
 Total non-current liabilities	 <u>920,000</u>
 Total liabilities	 <u>1,812,455</u>

DEFERRED INFLOWS OF RESOURCES:

Intergovernmental nonexchange transaction	132,091
Leases	<u>1,076,599</u>
 Total deferred inflows of resources	 <u>1,208,690</u>

NET POSITION:

Net investment in capital assets	37,877,218
Unrestricted	<u>1,442,834</u>
 Total net position	 <u>\$ 39,320,052</u>

The accompanying notes are an integral part of this 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, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position <i>Primary Government</i> Total
PRIMARY GOVERNMENT:			
Governmental Activities:			
Economic development	\$ 2,055,187	\$ -	\$ (2,055,187)
General government	1,335,338	697,295	(638,043)
Interest expense	<u>37,090</u>	<u>-</u>	<u>(37,090)</u>
 Total governmental activities	 <u>3,427,615</u>	 <u>697,295</u>	 <u>(2,730,320)</u>
 Total primary government	 <u>\$ 3,427,615</u>	 <u>\$ 697,295</u>	 <u>(2,730,320)</u>
 General Revenues:			
			1,339,336
			150,000
			32,145
			47,892
			<u>970,194</u>
			 <u>2,539,567</u>
			 (190,753)
			 <u>39,510,805</u>
			 <u>\$ 39,320,052</u>

The accompanying notes are an integral part of this statement

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	\$	2,418,753
Funds held in trust - Property One		183,369
Sales tax revenue receivable		373,304
Rental receivables		211,294
Lease receivable		1,131,662
Prepaid items		132,052
Deposits		<u>13,545</u>
 Total assets	 \$	 <u><u>4,463,979</u></u>

LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE

LIABILITIES:

Accounts payable	\$	447,370
Rental liabilities		37,647
Note payable		71,188
Unearned revenue		<u>250,000</u>
 Total liabilities		 <u>806,205</u>

DEFERRED INFLOWS OF RESOURCES:

Intergovernmental nonexchange transaction		132,091
Leases		<u>1,076,599</u>
 Total deferred inflows of resources		 <u>1,208,690</u>

FUND BALANCE:

Nonspendable:		
Prepaid items		132,052
Committed		1,000,000
Unassigned		<u>1,317,032</u>
 Total fund balance		 <u>2,449,084</u>
 Total liabilities, deferred inflows, and fund balance	 \$	 <u><u>4,463,979</u></u>

The accompanying notes are an integral part of this statement

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balance - governmental fund	\$ 2,449,084
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet.	37,877,218
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(1,006,250)</u>
Total net position - governmental activities	<u>\$ 39,320,052</u>

The accompanying notes are an integral part of this statement

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 BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

REVENUES:

Sales tax for economic development	\$ 1,339,336
Rental revenue	697,295
State appropriations	150,000
Miscellaneous	32,145
Interest income	47,892
Insurance proceeds	<u>970,194</u>
 Total revenues	 <u>3,236,862</u>

EXPENDITURES:

Current:	
Economic development projects	1,162,181
General government	1,335,338
Capital outlay	616,308
Debt service:	
Bond principal payments	93,750
Bond interest and fiscal charges	<u>37,090</u>
 Total expenditures	 <u>3,244,667</u>
 Net change in fund balance	 (7,805)
 Fund balance - beginning	 <u>2,456,889</u>
 Fund balance - ending	 <u>\$ 2,449,084</u>

The accompanying notes are an integral part of this statement

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Net change in fund balance - total governmental fund	\$	(7,805)
Amounts adjusted for governmental activities in the Statement of Activities are different because:		
<p>The governmental fund adjusted capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and adjusted as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
		(276,698)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		<u>93,750</u>
Change in net position of governmental activities	\$	<u>(190,753)</u>

The accompanying notes are an integral part of this statement

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 that 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.

Basis of Presentation

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's activities and related general administrative services are classified as governmental activities. The District does not have any business-type activities.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund 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. 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

All governmental funds are accounted for using a 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 (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Sales taxes, rental revenue, certain miscellaneous income (movie income), 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. All other revenue items are considered to be measurable and available only when cash is received by the District.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated.

Fund Financial Statements

The fund financial statements provide information about the District's fund. The emphasis of fund financial statements is on major governmental funds.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

Budgets

Annually, the District adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgetary integration is used as a management control device.

Appropriations in the budgeted fund lapses at the end of the fiscal year.

Cash and Cash Equivalents

Cash includes amounts in demand deposit accounts and in interest-bearing money market accounts. Under state law, the District may deposit funds in demand deposit accounts, interest bearing demand deposits, money market accounts and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The District may also invest in the Louisiana Asset Management Pool, Inc. (LAMP) fund, or United States bonds, treasury notes or certificates.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*"

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales Tax Revenue Receivable and Rental Receivables

All receivables are recorded at actual amounts. The District believes that all receivables are collectible at December 31, 2022, thus, no allowance for doubtful receivables is reported in the financial statements. Management believes sales tax revenue receivable and rental receivables are reported at fair value.

Leases

The District is a lessor for noncancellable leases of District property. The District recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Under certain of the lease agreements, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The District uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Prepaid Items

Certain payments to vendors reflect costs that will benefit a period of time after December 31, 2022 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.

Prepaid expenditures at year end are equally offset by fund balance reserves which indicates that although a component of current assets, they do not constitute available spendable resources.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how to meet service demands. Land is not depreciated.

Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	15 - 40 Years
Ramps and piers	25 Years

It is the District's policy to depreciate capital assets that have a purchase price of \$1,000 and more. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Encumbrances

Encumbrance accounting is not utilized by the District due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.

Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District does not have any deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts related to intergovernmental nonexchange transaction and leases.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Arises only under a modified accrual basis of accounting, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues from one source: state funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity Classification

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government’s highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

New Accounting Pronouncement Adopted

During the year ended December 31, 2022, the District adopted GASB Statement No. 87, “Leases”. The most significant change in the new leasing guidance is the requirement to recognize lease receivables and deferred inflows of resources on the statement of net position. The adoption of this statement had a material impact on the District.

Date of Management’s Review

Management has evaluated subsequent events through July 24, 2023, which is the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

At December 31, 2022, the carrying amounts and amounts deposited in banks and investment accounts were as follows:

	<u>Balance per Books</u>	<u>Deposits in Banks and Investments Accounts</u>
Cash	\$ 1,394,127	\$ 1,394,126
Cash held in trust	183,369	183,369
LAMP	<u>1,024,626</u>	<u>1,024,626</u>
Total	<u>\$ 2,602,122</u>	<u>\$ 2,602,121</u>

These deposits are stated at market value. The District does not have a policy for custodial credit risk however, 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 equal the amount on deposit with the fiscal agent at all times. 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.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2022, the District had \$1,577,495 in cash deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal depository insurance and \$1,327,495 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Louisiana Asset Management Pool (LAMP)

LAMP is administered by Louisiana Asset Management Pool, 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 LSA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, the concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit risk - LAMP is rated AAA by Standard & Poor's.

Custodial credit risk - LAMP participants' investments in the pool are evidenced by shares in the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk - Pooled investments are excluded from the 5% disclosure requirement.

Interest rate risk - LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.

Foreign currency risk - not applicable to 2a7-like pools.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

Louisiana Asset Management Pool (LAMP) (continued)

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 shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

(3) CAPITAL ASSETS

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>12/31/2021</u>	<u>Additions</u>	<u>Retirements/ Reclasses</u>	<u>12/31/2022</u>
<u>Non-depreciable assets:</u>				
Land	\$ 13,517,674	\$ -	\$ -	\$ 13,517,674
<u>Depreciable assets:</u>				
Buildings and improvements	28,129,817	616,308	-	28,746,125
Ramps and piers	<u>1,051,225</u>	<u>-</u>	<u>-</u>	<u>1,051,225</u>
Total depreciable assets	<u>29,181,042</u>	<u>616,308</u>	<u>-</u>	<u>29,797,350</u>
<u>Less: Accumulated Depreciation</u>	<u>(4,544,800)</u>	<u>(893,006)</u>	<u>-</u>	<u>(5,437,806)</u>
Total depreciable assets, net	<u>24,636,242</u>	<u>(276,698)</u>	<u>-</u>	<u>24,359,544</u>
Total capital assets, net	<u>\$ 38,153,916</u>	<u>\$ (276,698)</u>	<u>\$ -</u>	<u>\$ 37,877,218</u>

(4) 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%. In December 2021, when the outstanding balance was \$1,150,000, the term maturity was extended to October 2031. Required quarterly payments decreased to \$28,750. There were no other alterations.

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.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) BOND PAYABLE (CONTINUED)

The District's outstanding notes from direct placements related to governmental activities of \$1,300,000 contain a provision that in an event of default, any one of the following steps may be taken:

- The Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) or Trustee may declare all installments of payments under Section 4.2 of the bond agreement to be immediately due and payable;
- The Authority or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the District;
- The Authority or Trustee may have access to and inspect, examine and make copies of any and all books, accounts, and records of the District; and/or
- The Authority or Trustee (or the owners of the bonds in the circumstances permitted by the Indenture) may exercise any option and pursue any remedy provided by the Indenture.

Changes in long-term obligations for the year ended December 31, 2022 are as follows:

Balance, December 31, 2021	\$	1,100,000
Additions		-
Principal payments		<u>(93,750)</u>
Balance, December 31, 2022		1,006,250
Less: current portion, due within one year		<u>(86,250)</u>
Non-current portion	\$	<u>920,000</u>

Annual service requirements of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>
2023	\$ 86,250	\$ 26,759
2024	115,000	32,006
2025	115,000	27,808
2026	115,000	23,611
2027	115,000	19,413
2028 - 2031	<u>460,000</u>	<u>35,678</u>
Total	<u>\$ 1,006,250</u>	<u>\$ 165,275</u>

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(5) NOTE PAYABLE

On November 2, 2022, the District entered into an agreement to finance its insurance renewal with a total cost of \$484,243, of which \$93,703 was paid through a cash down payment and the remaining \$390,539 was financed. The agreement requires 5 monthly payments of \$44,739 beginning November 2022 through March 2023 with an interest rate of 5.15%. At December 31, 2022, the balance of the note payable was \$71,188.

(6) UNEARNED REVENUE

In 2021, the District entered into two agreements to potentially sell two buildings. These agreements required down payments of a total of \$250,000 that would be credited towards the purchase price when the closing agreement is executed. The District estimates that the closing agreement will be executed during 2023.

(7) DEFERRED INFLOWS OF RESOURCES

In 2017, the District received \$132,091 in 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 recorded as a deferred inflows of resources in the statement of net position as it is not earned until used for its specific purpose.

(8) COOPERATIVE ENDEAVOR AGREEMENT

The District receives funds from a Cooperative Endeavor Agreement (CEA) 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 CEA, 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. The District receives 1¼ cents of each of the city and state sales tax revenue from the CEA and the state match.

The use of the TIF is limited to a period of 42 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 \$673,033 from the City of New Orleans and \$666,303 from the State of Louisiana for the year ended December 31, 2022, of which \$187,590 and \$185,714 were due from the City of New Orleans and the State of Louisiana, respectively, as of December 31, 2022.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(9) FUND BALANCE 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.

(10) LEASES

On December 1, 2017, the District entered into a 30-year lease agreement which initiated a cooperative endeavor agreement 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 31st. 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 months’ 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 and individual tenants occupying various spaces located in the District’s Federal City and Federal City Retail Complex beginning October 2011 through December 2026. Terms range from 24 to 183 months. Monthly payments range from \$2,350 to \$6,615.

The District recognized \$697,295 in lease revenue and \$30,871 in interest income during the year ended December 31, 2022 related to leases. As of December 31, 2022, the District’s receivable for lease payments was \$1,131,662. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2022, the balance of the deferred inflow of resources was \$1,076,599.

Future payments included in the measurement of the lease receivable as of December 31, 2022 for each of the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 304,587	\$ 36,265	\$ 340,852
2024	303,670	24,922	328,592
2025	261,628	14,642	276,270
2026	213,640	5,694	219,334
2027	<u>48,137</u>	<u>735</u>	<u>48,872</u>
Total	<u>\$ 1,131,662</u>	<u>\$ 82,258</u>	<u>\$ 1,213,920</u>

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(11) SUBSEQUENT EVENTS

In May 2023, the District and the New Orleans Military and Maritime Academy entered into a purchase agreement in the amount of \$2.8 million for three parcels of land totaling more than ten acres for future expansion of the charter school at the Federal City location.

(12) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement addresses the postponement of effective dates of certain provisions in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018. The provisions affected are Statements No. 83, 84, 87, 88, 89, 90, 91, 92, 93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, 2019-2, and 2019-3. The District plans to adopt the amendments in this Statement as applicable by the effective dates.

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 BALANCE -
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<u>RECEIPTS:</u>				
Sales tax for economic development	\$ 1,170,000	\$ 1,170,000	\$ 1,339,336	\$ 169,336
Rental revenue	600,000	600,000	697,295	97,295
State appropriations	-	150,000	150,000	-
Miscellaneous	10,000	30,000	32,145	2,145
Interest income	5,000	5,000	47,892	42,892
Insurance proceeds	15,000	1,015,000	970,194	(44,806)
Total receipts	<u>1,800,000</u>	<u>2,970,000</u>	<u>3,236,862</u>	<u>266,862</u>
<u>DISBURSEMENTS:</u>				
Current:				
Economic development projects	1,027,000	1,692,000	1,162,181	529,819
General and administrative	697,000	1,460,000	1,335,338	124,662
Capital outlay	-	-	616,308	(616,308)
Debt service:				
Bond principal payments	115,000	115,000	93,750	21,250
Bond interest and fiscal charges	31,889	36,889	37,090	(201)
Total disbursements	<u>1,870,889</u>	<u>3,303,889</u>	<u>3,244,667</u>	<u>59,222</u>
Excess of receipts over disbursements	<u>(70,889)</u>	<u>(333,889)</u>	<u>(7,805)</u>	<u>326,084</u>
Fund balance - beginning	<u>2,456,889</u>	<u>2,456,889</u>	<u>2,456,889</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,386,000</u>	<u>\$ 2,123,000</u>	<u>\$ 2,449,084</u>	<u>\$ 326,084</u>

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, 2022

	Amount
Mark Major (Chairman) 80 Pinehurst Dr. New Orleans, LA 70131	\$ -
Representative Mack Cormier (Treasurer) 8857 Highway 23 Belle Chasse, LA 70037	-
Senator Joseph Bouie, Jr. 6305 Elysian Fields Ave., Suite 400 New Orleans, LA 70122	-
Senator Gary Carter, Jr. 2401 Westbend Parkway, Suite 3071 New Orleans, LA 70114	-
Councilmember Freddie King III 329 Olivier St. New Orleans, LA 70114	-
Jabarie R. Walker 1300 Perdido St., Suite 2E04 New Orleans, LA 70112	-

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, 2022

		<u>Mark Major, Chairman</u>
Gross salary	\$	-
Benefits - insurance		-
Benefits - retirement		-
Cell phone allowance		-
Car allowance		-
Meals - board meetings		-
Uniform		-
Per diem		-
Travel		-
		<hr/>
Total compensation, benefits, and other payments	\$	<u><u>-</u></u>



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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Algiers Development District (the District) of the City of New Orleans, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 24, 2023.

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 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. 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.



To the Board of Commissioners
Algiers Development District of the City of New Orleans
(A Component Unit of the City of New Orleans)
July 24, 2023

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

Algiers Development District of the City of New Orleans’ Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority’s response to the finding identified in our audit and described in the accompanying schedule of findings. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

July 24, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

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, 2022

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Algiers Development District of the City of New Orleans.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the 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*.
3. An instance of noncompliance material to the financial statements of Algiers Development District of the City of New Orleans was reported in the 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*.
4. No management letter was issued for the year ended December 31, 2022.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2022-001 Noncompliance with Reporting Requirements

Criteria: The District is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end in accordance with Louisiana Revised Statutes 24:513 and 24:514.

Condition: The District failed to comply with these laws, submitting the required reports after the required deadline.

Effect: The District is not in compliance with Louisiana Revised Statutes 24:513 and 24:514.

Cause: Implementation of new accounting standards severely impacted the accounting function and the coordination between the outside property management company, outsourced CPA and auditing firm, resulting in delays providing the audit firm information in a timely manner.

Recommendation: The District should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

I. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2021.

II. MANAGEMENT LETTER

There was no management letter issued for the year ended December 31, 2021.

ALGIERS DEVELOPMENT DISTRICT

BOARD OF COMMISSIONERS:

Mark Major, Chairman
Representative Mack Cormier, Secretary/Treasurer
Senator Joseph Bouie, Jr.
Representative Delisha Boyd
Senator Gary Carter
Councilmember Freddie King III
Jabarie R. Walker



ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS (A COMPONENT UNIT OF THE CITY OF NEW ORLEANS) MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS DECEMBER 31, 2022

July 24, 2023

Louisiana Legislative Auditor

The Algiers Development District of the City of New Orleans (the District) respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: January 1, 2022 – December 31, 2022

The finding from the December 31, 2022 schedule of findings is discussed below. The finding is numbered consistently with the number assigned in the schedule.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

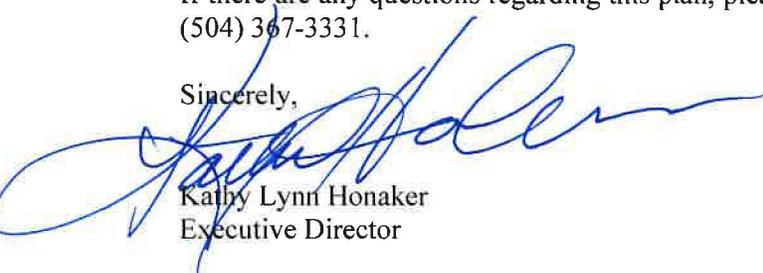
Finding 2022-001 Noncompliance with Reporting Requirements

Recommendation: The Authority should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Response: The Executive Director will work with the Board of Directors to draft an implement additional policies and procedures over financial accounting processes in order to ensure compliance with all applicable reporting requirements.

If there are any questions regarding this plan, please contact Kathy Lynn Honaker, Executive Director, at (504) 367-3331.

Sincerely,



Kathy Lynn Honaker
Executive Director

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
DECEMBER 31, 2022



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



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)
New Orleans, Louisiana

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 year ended December 31, 2022. The Algiers Development District of the City of New Orleans's management is responsible for those C/C areas identified in the AUPs.

The Algiers Development District of the City of New Orleans (the District), a component unit of the City of New Orleans, 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 LLA's SAUPs for the year ended December 31, 2022. Additionally, 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 attached in Schedule "1."

We were engaged by the 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 the 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 SAUP's, 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 LLA as a public document.

July 24, 2023
New Orleans, Louisiana

Certified Public Accountants

**ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES
JANUARY 1, 2022 – DECEMBER 31, 2022**

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - b) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - c) ***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.
 - d) ***Disbursements***, including processing, reviewing, and approving.
 - e) ***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).
 - f) ***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.
 - g) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Credit Cards (and debit cards, fuel cards, purchase 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).
 - j) ***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.

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

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

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

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** 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.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) 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.

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

BOARD OR FINANCE COMMITTEE (CONTINUED)

- d) 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.

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

BANK RECONCILIATIONS

3. **Procedures:** 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 five additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - 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 (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. **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 five deposit sites (or all deposit sites if less than five).
5. **Procedures:** 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. five collection locations for five 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:

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

COLLECTIONS (CONTINUED)

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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/official verifies the reconciliation.
6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. **Procedures:** Randomly select two deposit dates for each of the five 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 ten deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedures except for the following: deposits were not made timely in accordance with the District's policy of weekly deposits. See Management's Corrective Action Plan.

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. **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 five).
9. **Procedures:** For each location selected under #8 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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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 payments.
 - e) 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.
10. **Procedures:** For each location selected under #8 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 five disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-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,
 - b) Approved by the required number of authorized signers 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.

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

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

12. **Procedures:** 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.
13. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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:
- a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

**CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS
(CARDS)(CONTINUED)**

14. **Procedures:** Using the monthly statements or combined statements selected under #12 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 that 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.

Results: Not applicable as the District does not have credit cards, debit cards, fuel cards, or purchase cards.

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING
CARD TRANSACTIONS)**

15. **Procedures:** 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- a) If reimbursed using a per diem, observe that 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).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Not applicable as the District did not have any travel or travel related reimbursements during the fiscal period.

**ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022**

CONTRACTS

16. **Procedures:** 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. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that 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).
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Not applicable as the District did not enter into any agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period.

PAYROLL AND PERSONNEL

17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. **Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

PAYROLL AND PERSONNEL (CONTINUED)

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. **Procedures:** 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' accumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. **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.

Results: Not applicable as the District has no employees.

ETHICS

21. **Procedures:** Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

DEBT SERVICE

22. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
23. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

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

FRAUD NOTICE

24. **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 Organization attorney of the parish in which the entity is domiciled.
25. **Procedure:** Observe that 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.

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

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

26. **Procedures:** Perform the following procedures:
- a) 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.

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

**INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY
(CONTINUED)**

- b) 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.
- c) 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.
- d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

- 27. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.
- 28. **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).
- 29. **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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;

ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

SEXUAL HARASSMENT (CONTINUED)

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

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

ALGIERS DEVELOPMENT DISTRICT

BOARD OF COMMISSIONERS:

Mark Major, Chairman
Representative Mack Cormier, Secretary/Treasurer
Senator Joseph Bouie, Jr.
Representative Delisha Boyd
Senator Gary Carter
Councilmember Freddie King III
Jabarie R. Walker



ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES
JANUARY 1, 2022 – DECEMBER 31, 2022

July 24, 2022

Louisiana Legislative Auditor

The Algiers Development District of the City of New Orleans (the District) respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: January 1, 2022 – December 31, 2022

The exceptions from the Statewide Agreed-Upon Procedures Report are discussed below:

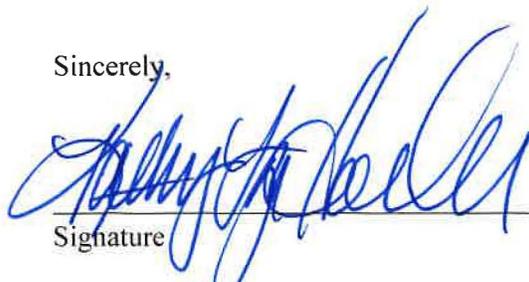
Collections

Exceptions: The District did not follow its policies for depositing collections weekly.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please call Ms. Kathy Lynn Honaker of the District at (504) 367-3331.

Sincerely,


Signature


Title