

**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, 2021**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners of  
Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
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, 2021, 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

#### ***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.



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(A Component Unit of the City of New Orleans)

June 29, 2022

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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.
- 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.



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

June 29, 2022

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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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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.



**ERICKSEN KRENTEL** LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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

June 29, 2022

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022 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 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.

June 29, 2022

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, 2021

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, 2021. 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, 2021, the District's assets exceeded its liabilities by \$39,510,805 (net position). Of this amount, \$1,356,889 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens and creditors. The District's total net position increased by \$265,751 for the year ended December 31, 2021.

**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, 2021

SUMMARY OF NET POSITION  
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
Current and other assets	\$ 3,368,561	\$ 2,125,943
Capital assets, net	38,153,916	38,974,347
Total assets	41,522,477	41,100,290
Current liabilities	894,581	623,145
Non-current liabilities	985,000	1,100,000
Total liabilities	1,879,581	1,723,145
Total deferred inflows of resources	132,091	132,091
Net investment in capital assets	38,153,916	38,974,347
Unrestricted	1,356,889	270,707
Total net position	\$ 39,510,805	\$ 39,245,054

The total net position of the District increased \$265,751, or 0.7%, from the prior year. This is primarily due to the increase in cash from the collection of insurance proceeds.

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 618,463	\$ 591,656
General revenues	2,860,296	1,262,785
Total revenues	3,478,759	1,854,441
<b>Expenses</b>		
Economic development	2,023,934	1,547,763
General government	1,135,786	1,060,837
Interest expense	53,288	64,132
Total expenses	3,213,008	2,672,732
Net change in fund balance	265,751	(818,291)
Net position, beginning of year	39,245,054	40,063,344
Net position, end of year	\$ 39,510,805	\$ 39,245,054

The change in net position increased \$1,084,042, or 132%, is primarily due to the increase in revenues related to insurance proceeds collected during 2021.

**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, 2021**

**CAPITAL ASSETS ADMINISTRATION**

The District had \$38,153,916 invested in a broad range of capital assets, including buildings and other related improvements, and ramps and piers as of December 31, 2021. 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:

	<u>2021</u>	<u>2020</u>
Land	\$ 13,517,674	\$ 13,517,674
Buildings and improvements	28,129,817	28,075,167
Ramps and piers	<u>1,051,225</u>	<u>1,051,225</u>
Subtotal	42,698,716	42,644,066
Less: accumulated depreciation	<u>(4,544,800)</u>	<u>(3,669,719)</u>
Capital assets, net of accumulated depreciation	<u>\$ 38,153,916</u>	<u>\$ 38,973,347</u>

**DEBT ADMINISTRATION**

The District's total long-term debt decreased by \$200,000 during the year ended December 31, 2021 as a result of regularly scheduled debt service payments.

	<u>2021</u>	<u>2020</u>
Bond payable, current portion	\$ 115,000	\$ 200,000
Bond payable, non-current portion	<u>985,000</u>	<u>1,100,000</u>
Total	<u>\$ 1,100,000</u>	<u>\$ 1,300,000</u>

**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, 2022. 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, 2021

**ASSETS:**

## Current assets:

Cash and cash equivalents	\$ 2,152,082
Funds held in trust - Property One	616,891
Sales tax revenue receivable	328,650
Rental receivables	165,457
Insurance claim receivables	50,000
Prepaid items	<u>55,406</u>
 Total current assets	 <u>3,368,486</u>

## Non-current assets:

Deposits	75
Capital assets, net of depreciation	<u>38,153,916</u>
 Total non-current assets	 <u>38,153,991</u>
 Total assets	 <u>41,522,477</u>

**LIABILITIES:**

## Current liabilities:

Accounts payable	446,767
Rental liabilities	45,534
Unearned revenue	250,000
Note payable, current portion	37,280
Bond payable, current portion	<u>115,000</u>
 Total current liabilities	 <u>894,581</u>

## Non-current liabilities:

Bond payable, net of current portion	<u>985,000</u>
 Total non-current liabilities	 <u>985,000</u>
 Total liabilities	 <u>1,879,581</u>

**DEFERRED INFLOWS OF RESOURCES:**

Intergovernmental nonexchange transaction	<u>132,091</u>
 Total deferred inflows of resources	 <u>132,091</u>

**NET POSITION:**

Net investment in capital assets	38,153,916
Unrestricted	<u>1,356,889</u>
 Total net position	 <u>\$ 39,510,805</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, 2021

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position <i>Primary Government</i> Total
<b>PRIMARY GOVERNMENT:</b>			
<b>Governmental Activities:</b>			
Economic development	\$ 2,023,934	\$ -	\$ (2,023,934)
General government	1,135,786	618,463	(517,323)
Interest expense	<u>53,288</u>	<u>-</u>	<u>(53,288)</u>
 Total governmental activities	 <u>3,213,008</u>	 <u>618,463</u>	 <u>(2,594,545)</u>
 Total primary government	 <u>\$ 3,213,008</u>	 <u>\$ 618,463</u>	 <u>(2,594,545)</u>
 General Revenues:			
Sales tax for economic development			1,259,970
Miscellaneous			23,771
Interest income			2,114
Insurance proceeds			<u>1,574,441</u>
 Total general revenues			 <u>2,860,296</u>
 Change in net position			 265,751
 Net position, beginning of year			 <u>39,245,054</u>
 Net position, end of year			 <u>\$ 39,510,805</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, 2021**

**ASSETS**

Cash and cash equivalents	\$	2,152,082
Funds held in trust - Property One		616,891
Sales tax revenue receivable		328,650
Rental receivables		165,457
Insurance claim receivables		50,000
Prepaid items		55,406
Deposits		<u>75</u>
 Total assets	 \$	 <u><u>3,368,561</u></u>

**LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE**

**LIABILITIES:**

Accounts payable	\$	446,767
Rental liabilities		45,534
Note payable		37,280
Unearned revenue		<u>250,000</u>
 Total liabilities		 <u>779,581</u>

**DEFERRED INFLOWS OF RESOURCES:**

Intergovernmental nonexchange transaction		<u>132,091</u>
 Total deferred inflows of resources		 <u>132,091</u>

**FUND BALANCE:**

Nonspendable:		
Prepaid items		55,406
Committed		1,000,000
Unassigned		<u>1,401,483</u>
 Total fund balance		 <u>2,456,889</u>
 Total liabilities, deferred inflows, and fund balance	 \$	 <u><u>3,368,561</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, 2021

Total fund balance - governmental fund	\$ 2,456,889
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	38,153,916
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>(1,100,000)</u>
Total net position - governmental activities	<u>\$ 39,510,805</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, 2021

**REVENUES:**

Sales tax for economic development	\$ 1,259,970
Rental revenue	618,463
Miscellaneous	23,771
Interest income	2,114
Insurance proceeds	<u>1,574,441</u>
 Total revenues	 <u>3,478,759</u>

**EXPENDITURES:**

Current:	
Economic development projects	1,148,853
General government	1,135,786
Capital outlay	54,650
Debt service:	
Bond principal payments	200,000
Bond interest and fiscal charges	<u>53,288</u>
 Total expenditures	 <u>2,592,577</u>
 Net change in fund balance	 886,182
 Fund balance - beginning	 <u>1,570,707</u>
 Fund balance - ending	 <u>\$ 2,456,889</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, 2021**

Net change in fund balance - total governmental fund	\$	886,182
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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>		(820,431)
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<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>		<u>200,000</u>
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Change in net position of governmental activities	\$	<u><u>265,751</u></u>
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**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, 2021**

**(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, 2021

**(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, 2021

**(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, 2021

**(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, 2021, 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.

**Prepaid Items**

Certain payments to vendors reflect costs that will benefit a period of time after December 31, 2021 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.

**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.

**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, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 one item that qualifies for reporting in this category, deferred amounts related to intergovernmental nonexchange transaction.

**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.

**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, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classification (continued)**

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.

**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.

**Subsequent Events**

Management has evaluated subsequent events through June 29, 2022, which is the date the financial statements were available to be issued.

**(2) CASH AND CASH EQUIVALENTS**

At December 31, 2021, 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	\$ 1,144,477	\$ 1,144,477
Cash held in trust	616,891	616,891
LAMP	<u>1,007,605</u>	<u>1,007,605</u>
Total	<u>\$ 2,768,973</u>	<u>\$ 2,768,973</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, 2021

**(2) CASH AND CASH EQUIVALENTS (CONTINUED)**

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.

At December 31, 2021, the District had \$2,768,974 in cash deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal depository insurance and \$1,400,000 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.



**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, 2021

**(2) CASH AND CASH EQUIVALENTS (CONTINUED)**

Louisiana Asset Management Pool (LAMP) (continued)

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.

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>12/31/2020</u>	<u>Additions</u>	<u>Retirements/ Reclasses</u>	<u>12/31/2021</u>
<u>Non-depreciable assets:</u>				
Land	\$ 13,517,674	\$ -	\$ -	\$ 13,517,674
<u>Depreciable assets:</u>				
Buildings and improvements	28,075,167	54,650	-	28,129,817
Ramps and piers	<u>1,051,225</u>	<u>-</u>	<u>-</u>	<u>1,051,225</u>
Total depreciable assets	<u>29,126,392</u>	<u>-</u>	<u>-</u>	<u>29,181,042</u>
<u>Less: Accumulated Depreciation</u>	<u>(3,669,719)</u>	<u>(875,081)</u>	<u>-</u>	<u>(4,544,800)</u>
Total depreciable assets, net	<u>25,456,673</u>	<u>(820,431)</u>	<u>-</u>	<u>24,636,242</u>
Total capital assets, net	<u>\$ 38,974,347</u>	<u>\$ (820,431)</u>	<u>\$ -</u>	<u>\$ 38,153,916</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, 2021

**(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.

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, 2021 are as follows:

Balance, December 31, 2020		\$ 1,300,000
Additions		-
Principal payments		<u>200,000</u>
Balance, December 31, 2021		1,100,000
Less: current portion, due within one year		<u>(115,000)</u>
Non-current portion		<u>\$ 985,000</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, 2021

**(4) BOND PAYABLE (CONTINUED)**

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

	Principal	Interest
2022	\$ 115,000	\$ 31,073
2023	115,000	36,203
2024	115,000	32,006
2025	115,000	27,808
2026	115,000	23,611
2027 - 2031	525,000	55,092
Total	\$ 1,100,000	\$ 205,793

**(5) NOTE PAYABLE**

In May 2021, the District entered into an agreement to finance its insurance renewal with a total cost of \$165,738, of which \$44,766 was paid through a cash down payment and the remaining \$120,972 was financed. The agreement requires 10 monthly payments of \$12,247 beginning June 2021 through March 2022 with an interest rate of 5.90%. At December 31, 2021, the balance of the note payable was \$37,280.

**(6) UNEARED REVENUE**

In 2021, the District entered into two agreements to potentially sell two buildings. These agreements required down payments of a total \$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 2022.

**(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 also recorded as deferred revenue in the statement of net position as it is not earned until used for its specific purpose.

**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, 2021

**(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 \$633,151 from the City of New Orleans and \$626,819 from the State of Louisiana for the year ended December 31, 2021, of which \$165,151 and \$163,499 were due from the City of New Orleans and the State of Louisiana, respectively, as of December 31, 2021.

**(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) OPERATING LEASES - LESSOR**

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.

**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, 2021

**(10) OPERATING LEASES – LESSOR (CONTINUED)**

The following is the schedule of the District’s future minimum lease collections based on the lease agreements (excluding agreements on a month-to-month basis) as of December 31, 2021:

2022		\$ 284,943
2023		165,367
2024		65,138
2025		65,138
2026		<u>65,138</u>
Total		<u>\$ 645,724</u>

**(11) NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 87, “*Leases*.” The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance*.” The District plans to adopt this Statement as applicable by the effective date.

**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, 2021

	General Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<b><u>RECEIPTS:</u></b>				
Sales tax for economic developmer	\$ 1,040,000	\$ 1,040,000	\$ 1,259,970	\$ 219,970
Rental revenue	600,000	600,000	618,463	18,463
Miscellaneous	30,000	17,000	23,771	6,771
Interest income	15,000	500	2,114	1,614
Insurance proceeds	-	1,500,000	1,574,441	74,441
	<u>1,685,000</u>	<u>3,157,500</u>	<u>3,478,759</u>	<u>321,259</u>
<b><u>DISBURSEMENTS:</u></b>				
Current:				
Economic development projects	432,000	1,052,000	1,148,853	(96,853)
General and administrative	1,069,000	1,334,000	1,135,786	198,214
Capital outlay	-	-	54,650	(54,650)
Debt service:				
Bond principal payments	200,000	200,000	200,000	-
Bond interest and fiscal charges	56,000	56,000	53,288	2,712
	<u>1,757,000</u>	<u>2,642,000</u>	<u>2,592,577</u>	<u>49,423</u>
Excess of receipts over disbursements	<u>(72,000)</u>	<u>515,500</u>	<u>886,182</u>	<u>370,682</u>
Fund balance - beginning	<u>1,570,707</u>	<u>1,570,707</u>	<u>1,570,707</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,498,707</u>	<u>\$ 2,086,207</u>	<u>\$ 2,456,889</u>	<u>\$ 370,682</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, 2021**

	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, 2021**

		<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>

**OTHER REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***



**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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 29, 2022.

**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.



**ERICKSEN KRENTEL** LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners  
Algiers Development District of the City of New Orleans  
(A Component Unit of the City of New Orleans)  
June 29, 2022

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 29, 2022  
New Orleans, Louisiana

*Erickson 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, 2021

**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. No instances of noncompliance material to the financial statements of Algiers Development District of the City of New Orleans 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*.
4. No management letter was issued for the year ended December 31, 2021.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

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

**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, 2021**

**I. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings related to the financial statements for the year ended December 31, 2020.

**II. MANAGEMENT LETTER**

There was no management letter issued for the year ended December 31, 2020.

**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, 2021**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
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, 2021. 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, 2021. 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.

June 29, 2022  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**ALGIERS DEVELOPMENT DISTRICT  
OF THE CITY OF NEW ORLEANS  
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AGREED-UPON PROCEDURES  
JANUARY 1, 2021 – DECEMBER 31, 2021**

**WRITTEN POLICIES AND PROCEDURES**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (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).
  - e) ***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.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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**WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

- i) ***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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** The written policies and procedures entirely address the functions of budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, credit cards, travel and expense reimbursement, ethics, information technology disaster recovery and business continuity, and sexual harassment listed above.

**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) 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.

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**BOARD OR FINANCE COMMITTEE (CONTINUED)**

- 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.

**Results:** Obtained the board committee meeting minutes for fiscal year. The board meets on a bimonthly basis and financial comparison of bimonthly and annual financial comparisons were discussed.

**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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - 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 it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. 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. Bank reconciliations had no reconciling items outstanding for more than 12 months at the statement closing date. The reconciled balance for the final month of the fiscal period agrees to the general ledger.

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**COLLECTIONS**

4. **Procedures:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5):
  
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., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees 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.

**Results:** The Organization has separate independent contractors for collecting cash and reconciling cash documentation. The independent contractor responsible for collecting cash is not responsible for posting collection entries to the general ledger. The independent contractor responsible for reconciling collections is not responsible for collecting cash.

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

**Results:** The Organization has an insurance policy that covers theft and it was enforced during the fiscal period.

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**COLLECTIONS (CONTINUED)**

7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
- b) Observe that receipts are sequentially pre-numbered.
  - c) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - d) Trace the deposit slip total to the actual deposit per the bank statement.
  - e) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - f) Trace the actual deposit per the bank statement to the general ledger.

**Results:** The related collection documentation was traced to deposit slips. The deposit slip total agrees to the actual deposit per the bank statement. Regular periodic deposits were made after collection. The actual deposit per the bank statement agreed to the general ledger.

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

8. **Procedures:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):
9. **Procedures:** For each location selected under #8 above, obtain a listing of those independent contractors 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 independent contractors about their job duties), and observe that job duties are properly segregated such that:
- g) At least two independent contractors are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

- h) At least two employees are involved in processing and approving payments to vendors.
- i) 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.
- j) 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.

**Results:** The Organization had at least two independent contractors involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. The independent contractor responsible for processing payments is prohibited from adding/modifying vendor files unless another independent contractor is responsible for periodically reviewing changes to vendor files. Either the independent contractor responsible for signing checks mails the payment or gives the signed checks to another independent contractor to mail who is not responsible for processing payments.

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 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates 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.

**Results:** The 5 disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

**CREDIT CARDS/DEBIT CARDS/P-CARDS**

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

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**CREDIT CARDS/DEBIT CARDS/P-CARDS**

**Results:** Not applicable. The Organization does not maintain credit cards.

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

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** Not applicable. The Organization does not maintain credit cards.

13. **Procedure:** 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 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. The Organization does not have a credit card balance.



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

14. **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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://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. The Organization did not have any travel or travel-related expense reimbursements.

**CONTRACTS**

15. **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. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter)

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**CONTRACTS**

- 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 5 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:** The one sampled contract was not required by law to be bid in accordance with the Louisiana Procurement Code or Public Bid Law. Each contract was approved by the governing board. There were no amendments to the contracts and all the payments agreed to the terms and conditions of the contract.

**PAYROLL AND PERSONNEL**

- 16. **Procedures:** Obtain a listing of independent contractors and officials employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. **Procedures:** Randomly select one pay period during the fiscal period. For the employees selected under #16 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).
  - b) Observe that supervisors approved the attendance and leave of the selected employees.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** Not applicable. The Organization does not have any employees.

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**PAYROLL AND PERSONNEL (CONTINUED)**

18. **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's policy on termination payments. Agree the hours to the employee or officials' cumulative 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.

**Results:** Not applicable. The Organization does not have any employees.

19. **Procedures:** 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 associated forms have been filed, by required deadlines.

**Results:** Not applicable. The Organization does not have any employees.

**ETHICS**

20. **Procedures:** Using the 5 randomly selected employees from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** We performed the procedures and the documentation demonstrates that each board member has completed one hour of ethics training and were notified of any changes to the entity's ethics policy during the fiscal period.

**DEBT SERVICE**

21. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

**Results:** Not applicable. The Organization did not issue bonds/notes during the fiscal period.

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**DEBT SERVICE (CONTINUED)**

22. **Procedures:** 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:** We performed the procedures and found that all documentation agreed to actual reserve balances.

**FRAUD**

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

**Results:** There were no misappropriations of public funds and assets during the fiscal period.

24. **Procedures:** 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:** The Organization has posted the required notice on its premises and website.

**INFORMATION TECHNOLOGY DISASTER RECOVERY & BUSINESS CONTINUITY**

25. **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.
  - 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.

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

- 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.

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

**SEXUAL HARASSMENT**

- 26. **Procedures:** Using the 5 randomly selected independent contractors/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Results:** We performed the procedures and found that the Organization is in compliance.

- 27. **Procedures:** 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).

**Results:** The Organization has posted the required notices on its website.

- 28. **Procedures:** 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;
- 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:** We performed the procedures and found that the Organization is in compliance.