
FRENCH MARKET CORPORATION
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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FINANCIAL STATEMENTS

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FRENCH MARKET CORPORATION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
French Market Corporation
(A Proprietary Component Unit of the City of New Orleans)
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of French Market Corporation (the Market), a component unit of the City of New Orleans, as of and for the years ended December 31, 2023, and 2022, related notes to the financial statements, which collectively comprise the Market'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 business-type activities of the Market, as of December 31, 2023, and 2022, respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Market, 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.

Emphasis of Matter Regarding a Prior Period Adjustment

As discussed in Note 11 to the financial statements, the pension expense on the statement of revenues, expenses, and changes in net position was understated by \$697,813 for the year ended December 31, 2022, the deferred outflows on the statement of financial position were understated by \$52,778 as of December 31, 2022, and the deferred inflows on the statement of financial position were understated by \$750,591 as of December 31, 2022. Accordingly, the deferred outflows, deferred inflows, and pension expense amounts have been restated in the 2022 financial statements now presented to correct this error. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Market's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 Market'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 Market's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-12 and Schedule I, Schedule II, and notes to required supplementary information on pages 36-38 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 Market's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head (Schedule III) on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the Market's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Market's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Market's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 18, 2024

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

As the financial manager of the Market, we offer readers of the accompanying financial statements, this narrative overview and analysis of the financial activities of the Market for the year ended December 31, 2023 and 2022. This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities.

We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Using This Annual Report

Our auditors have provided assurance in their independent auditor's report located immediately preceding this Management's Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements. Varying degrees of assurances are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Financial Highlights – 2023

- The Market's assets and deferred outflows exceeded its liabilities and deferred inflows by \$30,654,680. Of this amount, \$12,829,813 was unrestricted and \$17,824,867 represented the net investment in capital assets.
- The Market's net position increased by \$1,187,649 during the year ended December 31, 2023.
- Operating revenues increased from \$10,807,268 in 2022 to \$11,252,311 in 2023, as a result of the Market's continued recovery from COVID-19 pandemic and business activity recovered to near pre-pandemic levels for all of 2023.
- At December 31, 2023, the Market reported a lease receivable of \$15,093,104 and a deferred inflow of resources on these leases of \$14,571,405 as of December 31, 2023.
- The Market entered into a Cooperative Endeavor Agreement (CEA) with the City of New Orleans to provide \$550,000 to fund capital improvements to the Market.
- The Market received insurance proceeds of \$432,448 related to damages of Hurricane Ida.
- The Market funded capital asset additions of \$1,002,766, primarily for building improvements to the Upper Pontalba Building.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Highlights – 2022

- The Market's assets and deferred outflows exceeded its liabilities and deferred inflows by \$29,467,031. Of this amount, \$11,643,398 was unrestricted and \$17,823,633 represented the net investment in capital assets.
- The Market's net position increased by \$959,091 during the year ended December 31, 2022.
- Operating revenues increased from \$7,893,650 in 2021 to \$10,807,268 in 2022, as a result of the Market's near full recovery from COVID-19 pandemic, and business activity recovered to near pre-pandemic levels for all of 2022.
- The Market adopted GASB 87, Leases as of January 1, 2022, and recorded a lease receivable and deferred inflow on leases in the amount of \$32,257,058. The Market reported a lease receivable of \$16,256,068 and a deferred inflow of resources on these leases of \$16,000,990 as of December 31, 2022. Prior to the adoption of GASB 87, the Market did not report leases in its Statement of Financial Position.

Overview of the Financial Statements

The Market's basic financial statements comprise of Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and the related notes to the financial statements. Since the Market consists of a single enterprise fund, no fund level financial statements are shown.

Basic financial statements. The basic financial statements are designed to provide readers with a broad overview of the Market's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Market's assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Market is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial position.

Overview of the Financial Statements (continued)

The statements of revenues, expenses and changes in net position presents information showing how the Market's net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Analysis - 2023

The Statements of Net Position include information on all the Market's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Market.

CONDENSED STATEMENTS OF NET POSITION

	<u>2023</u>	<u>2022</u>	Increase (Decrease)
Current assets	\$ 18,663,576	\$ 17,418,549	\$ 1,245,027
Lease, non current portion	13,526,790	14,957,193	(1,430,403)
Capital assets, net	<u>17,824,867</u>	<u>17,823,633</u>	1,234
Total assets	50,015,233	50,199,375	(184,142)
Deferred outflow of resources	1,091,898	941,846	150,052
Total assets and deferred outflow of resources	<u>51,107,131</u>	<u>51,141,221</u>	(34,090)
Current liabilities	1,192,897	1,095,107	97,790
Noncurrent liabilities	<u>4,321,327</u>	<u>3,547,749</u>	773,578
Total liabilities	5,514,224	4,642,856	871,368
Deferred inflow of resources	14,938,227	17,031,334	(2,093,107)
Total liabilities and deferred inflow of resources	<u>20,452,451</u>	<u>21,674,190</u>	(1,221,739)
Net position			
Net investment in capital assets	17,824,867	17,823,633	1,234
Unrestricted	<u>12,829,813</u>	<u>11,643,398</u>	1,186,415
Total net position	<u>\$ 30,654,680</u>	<u>\$ 29,467,031</u>	<u>\$ 1,187,649</u>

In 2023, net position increased by \$1,187,649 from 2022 to 2023. Current assets increased by \$1,245,027, comprised mostly of an increase in cash of \$406,959 and an increase in receivable balance from the City of New Orleans of \$550,000. Lease receivable decreased by \$1,162,964 as GASB 87 was adopted in 2022. Capital assets increased by \$1,234 as additions of \$1,002,766, exceeded depreciation expense of \$1,001,532. Deferred inflows of resources decreased by \$2,093,107 of which \$14,571,405 was a deferred inflow of resources on leases related to GASB 87.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Analysis - 2023 (continued)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Operating revenues			
Rental income	\$ 8,525,268	\$ 7,802,428	\$ 722,840
Parking income	2,662,381	2,763,914	(101,533)
Other income	64,662	240,926	(176,264)
Total operating revenue	<u>11,252,311</u>	<u>10,807,268</u>	445,043
Operating expenses			
Salaries, wages, and benefits	3,523,275	3,302,444	220,831
Depreciation	1,001,532	1,017,349	(15,817)
Maintenance, repairs and equipment	1,601,635	1,075,482	526,153
Professional services	1,559,381	1,237,950	321,431
Advertising and promotion	915,082	621,008	294,074
Utilities and communication	460,185	445,670	14,515
Insurance	1,139,783	761,024	378,759
Other	976,661	1,398,650	(421,989)
Total operating expenses	<u>11,177,534</u>	<u>9,859,577</u>	1,317,957
Nonoperating income (loss)			
Interest	230,424	51,057	179,367
Insurance proceeds	432,448	60,343	372,105
Grant from City of New Orleans	550,000	-	550,000
Total nonoperating revenue (expense)	<u>1,212,872</u>	<u>111,400</u>	1,101,472
Change in income before transfers	1,287,649	1,059,091	228,558
Transfer out to City of New Orleans	<u>(100,000)</u>	<u>(100,000)</u>	-
Change in net position	1,187,649	959,091	228,558
Net position, beginning of year	<u>29,467,031</u>	<u>28,507,940</u>	959,091
Net position, end of year	<u>\$ 30,654,680</u>	<u>\$ 29,467,031</u>	<u>\$ 1,187,649</u>

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Analysis - 2023 (continued)

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the Market's financial health. For the year ended December 31, 2023, operating revenues increased by \$445,043 with increase of rental, decrease of parking, and decrease of other income of \$722,840, \$101,533, and \$176,264, respectively.

During 2023, operating expenses increased by \$1,317,957. Salaries, wages, and related benefits increased by \$220,831, professional services increased by \$321,431, advertising increased by \$294,074, insurance increased by \$378,759, and other, which includes insurance repairs funded by Hurricane Ida and Wharf expenses funded by the City of New Orleans decreased by \$421,989.

During 2023, non-operating income of \$1,212,872 exceeded the prior year gain of \$111,400 by \$1,101,472. The change is mostly related to the grant from the City of New Orleans of \$550,000, an increase in insurance proceeds of \$372,105, and an increase of interest income of \$179,367 due to higher interest rates on deposits.

The Statements of Cash Flows present the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for capital additions. Cash increased by \$406,959. During 2023, the Market collected insurance proceeds, provided cash from noncapital financing activities of \$332,448. Operating activities provided \$846,853 while capital and related financing activities used \$1,002,766 in cash.

CONDENSED STATEMENT OF CASH FLOWS

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Cash flows from:			
Operating activities	\$ 846,853	\$ 1,401,826	\$ (554,973)
Noncapital financing activities	332,448	1,137,601	(805,153)
Capital and related financing activities	(1,002,766)	(1,497,331)	494,565
Investing activities	<u>230,424</u>	<u>51,057</u>	<u>179,367</u>
Net change in cash	406,959	1,093,153	(686,194)
Beginning of year cash	<u>15,092,847</u>	<u>13,999,694</u>	<u>1,093,153</u>
End of year cash	<u>\$ 15,499,806</u>	<u>\$ 15,092,847</u>	<u>\$ 406,959</u>

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Analysis - 2022

The Statements of Net Position include information on all the Market's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Market.

CONDENSED STATEMENTS OF NET POSITION

	<u>2022</u>	<u>2021</u>	Increase (Decrease)
Current assets	\$ 17,418,549	\$ 16,066,899	\$ 1,351,650
Lease, non current portion	14,957,193	-	14,957,193
Capital assets, net	<u>17,823,633</u>	<u>17,343,650</u>	479,983
Total assets	50,199,375	33,410,549	16,788,826
Deferred outflow of resources	941,846	1,034,334	(92,488)
Total assets and deferred outflow of resources	<u>51,141,221</u>	<u>34,444,883</u>	<u>16,696,338</u>
Current liabilities	1,095,107	1,432,232	(337,125)
Noncurrent liabilities	<u>3,547,749</u>	<u>3,654,960</u>	(107,211)
Total liabilities	4,642,856	5,087,192	(444,336)
Deferred inflow of resources	17,031,334	849,751	16,181,583
Total liabilities and deferred inflow of resources	<u>21,674,190</u>	<u>5,936,943</u>	<u>15,737,247</u>
Net position			
Net investment in capital assets	17,823,633	17,343,650	479,983
Unrestricted	<u>11,643,398</u>	<u>11,164,290</u>	479,108
Total net position	<u>\$ 29,467,031</u>	<u>\$ 28,507,940</u>	<u>\$ 959,091</u>

In 2022, net position increased by \$959,091 from 2021 to 2022. Current assets increased by \$1,351,650, comprised mostly of an increase in cash of \$1,093,153, which was offset by a decrease in the insurance receivable that was collected in 2022 of \$1,177,258. Lease receivable increased by \$16,256,068 as GASB 87 was adopted in 2022. Capital assets increased by \$479,983 as additions of \$1,497,331, exceeded depreciation expense of \$1,017,349. Deferred inflows of resources increased by \$16,181,583 of which \$16,000,990 was a deferred inflow of resources on leases related to the implementation of GASB 87.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Analysis - 2022 (continued)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Operating revenues			
Rental income	\$ 7,802,428	\$ 5,721,122	\$ 2,081,306
Parking income	2,763,914	1,710,082	1,053,832
Other income	240,926	462,446	(221,520)
Total operating revenue	<u>10,807,268</u>	<u>7,893,650</u>	<u>2,913,618</u>
Operating expenses			
Salaries, wages, and benefits	3,302,444	2,940,570	361,874
Professional services	1,237,950	862,130	375,820
Maintenance, repairs and equipment	1,075,482	1,118,293	(42,811)
Depreciation	1,017,349	1,069,185	(51,836)
Insurance	727,816	507,282	220,534
Advertising and promotion	621,008	337,659	283,349
Utilities and communication	445,670	404,021	41,649
Other	1,431,858	786,448	645,410
Total operating expenses	<u>9,859,577</u>	<u>8,025,588</u>	<u>1,833,989</u>
Nonoperating income (loss)			
Insurance proceeds	60,343	1,388,888	(1,328,545)
Interest	51,057	7,600	43,457
Impairment on capital assets	-	(1,621,527)	1,621,527
Total nonoperating revenue (expense)	<u>111,400</u>	<u>(225,039)</u>	<u>336,439</u>
Change in income before transfers	1,059,091	(356,977)	1,416,068
Transfer out to City of New Orleans	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in net position	959,091	(456,977)	1,416,068
Net position, beginning of year	<u>28,507,940</u>	<u>28,964,917</u>	<u>(456,977)</u>
Net position, end of year	<u>\$ 29,467,031</u>	<u>\$ 28,507,940</u>	<u>\$ 959,091</u>

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Financial Analysis - 2022 (continued)

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the Market's financial health. For the year ended December 31, 2022, operating revenues increased by \$2,913,618 with increases of rental, parking, and decrease of other income of \$2,081,306, \$1,053,832, and \$221,520, respectively.

During 2022, operating expenses increased by \$1,833,989. Salaries, wages, and related benefits increased by \$361,874, professional services increased by 375,820, advertising increased by \$283,349, insurance increased by \$220,534, and other, which includes insurance repairs funded by Hurricane Ida proceeds increased by \$645,410.

During 2022, non-operating income of \$111,400 exceeded the prior year loss of \$225,039 by \$336,439. The change is mostly related to Hurricane Ida insurance proceeds and related impairment of capital assets, both of which occurred in 2021 and did not occur in 2022.

The Statements of Cash Flows present the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for capital additions. Cash increased by \$1,093,153. During 2022, the Market collected insurance proceeds, provided cash from noncapital financing activities of \$1,137,601. Operating activities provided \$1,401,826 while capital and related financing activities used \$1,497,331 in cash.

CONDENSED STATEMENT OF CASH FLOWS

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Cash flows from:			
Operating activities	\$ 1,401,826	\$ 1,537,142	\$ (135,316)
Noncapital financing activities	1,137,601	111,630	1,025,971
Capital and related financing activities	(1,497,331)	(530,291)	(967,040)
Investing activities	<u>51,057</u>	<u>7,600</u>	<u>43,457</u>
Net change in cash	1,093,153	1,126,081	(32,928)
Beginning of year cash	<u>13,999,694</u>	<u>12,873,613</u>	<u>1,126,081</u>
End of year cash	<u>\$ 15,092,847</u>	<u>\$ 13,999,694</u>	<u>\$ 1,093,153</u>

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Capital Assets

As of December 31, 2023, the Market's investment in capital assets which is composed of land, building and improvements, furniture, fixtures and equipment amounts to \$17,824,867 and net of accumulated depreciation in the amount of \$31,823,795, respectively. As of December 31, 2022, the Market's investment in capital assets amounts to \$17,823,633 and the net of accumulated depreciation is \$30,998,300, respectively. The Market's five-year capital budget includes major building repairs and renovations, vehicle purchases, equipment replacements, painting of buildings, and landscape improvements.

Debt Administration

As of December 31, 2023, the Market's long-term debt includes its noncurrent compensated absences of \$316,169 and net pension liability of \$3,715,664. As of December 31, 2022, the Market's long-term debt includes its noncurrent compensated absences of \$428,972 and net pension liability of \$2,828,051

Economic Outlook

The Market adopts an annual operating budget and a five-year capital budget. The capital budget depicts various planned improvement projects while the continuing operating budget includes proposed expenses and the means of financing them. During 2023, the Market's cost of insurance increased significantly due to the overall increase in insurance in the New Orleans area. The Market's revenue during 2023 was better than budgeted due to the increase in actual advertising revenue, percentage and parking revenue received post COVID-19 and Hurricane Ida.

The Market experienced extensive damage from Hurricane Ida to three of its buildings, which includes Building E, Building C and the Upper Pontalba Building (UPB). The Building C roof replacement has been completed during the 2023 fiscal year. The UPB and Building E are still in construction in progress. Due to the damage to Building E, the Market's Administrative Offices were relocated to two vacant commercial spaces in the UPB.

In March 2024, The Market entered into an agreement with a contractor in the amount of \$6,633,000 for repairs and improvements to Building E. In March 2024, the City and the Market entered into a cooperative endeavor agreement for the City to provide \$8 million in funding to the Market for design and construction improvements to the Upper Pontalba Building.

The Market is collaborating with other city departments and several tenants, the Greater New Orleans Sports Foundation, the National Football League and the Super Bowl Host Committee to prepare for Super Bowl LIX in February 2025. The City of New Orleans's funding of \$550,000 will be used to upgrade and renovate the public restrooms in the Market in advance of the Super Bowl.

Request for Information

This financial report is designed to provide a general overview of the Market's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Market's Executive Director at 1008 N. Peters Street, New Orleans, Louisiana 70116.

FRENCH MARKET CORPORATION
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

	<u>2023</u>	<u>2022</u> (As restated)
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 15,499,806	\$ 15,092,847
Due from City of New Orleans	550,000	-
Tenants receivable	633,701	713,098
Lease receivable, current portion	1,566,314	1,298,875
Prepaid expenses and other assets	413,755	313,729
Total current assets	18,663,576	17,418,549
<u>NON-CURRENT ASSETS</u>		
Lease receivable, non current portion	13,526,790	14,957,193
Capital assets, net	17,824,867	17,823,633
<u>TOTAL ASSETS</u>	50,015,233	50,199,375
<u>DEFERRED OUTFLOW OF PENSION RESOURCES</u>		
	1,091,898	941,846
<u>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</u>	\$ 51,107,131	\$ 51,141,221

LIABILITIES, DEFERRED INFLOW OF RESOURCES,
AND NET POSITION

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 679,907	\$ 709,349
Due to City of New Orleans	342,440	172,658
Compensated absences	35,130	47,664
Unearned revenue	135,420	165,436
Total current liabilities	1,192,897	1,095,107
<u>NON CURRENT LIABILITIES</u>		
Rental deposits	289,494	290,726
Compensated absences	316,169	428,972
Net pension liability	3,715,664	2,828,051
Total noncurrent liabilities	4,321,327	3,547,749
Total liabilities	5,514,224	4,642,856
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred inflow of pension resources	366,822	1,030,344
Deferred inflow of leases	14,571,405	16,000,990
Total noncurrent liabilities	14,938,227	17,031,334
<u>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>	\$ 20,452,451	\$ 21,674,190
<u>NET POSITION</u>		
Net investment in capital assets	\$ 17,824,867	\$ 17,823,633
Unrestricted	12,829,813	11,643,398
<u>TOTAL NET POSITION</u>	\$ 30,654,680	\$ 29,467,031

The accompanying notes are an integral part of these financial statements.

FRENCH MARKET CORPORATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u> (As restated)
<u>REVENUES</u>		
Rental income	\$ 8,525,268	\$ 7,802,428
Parking income	2,662,381	2,763,914
Other income	64,662	240,926
Total operating revenues	<u>11,252,311</u>	<u>10,807,268</u>
<u>EXPENSES</u>		
Salaries, wages, and related benefits	3,523,275	3,302,444
Maintenance and repairs	1,601,635	1,075,482
Professional services	1,559,381	1,237,950
Insurance	1,139,783	761,024
Depreciation	1,001,532	1,017,349
Advertising and promotion	915,082	621,008
Telephone and utilities	460,185	445,670
Fees and taxes	445,767	474,461
Other	278,425	727,816
Equipment expense	126,753	111,320
Supplies and materials	80,892	60,071
Bad debt expense	35,274	-
Security	9,550	24,982
Total operating expenses	<u>11,177,534</u>	<u>9,859,577</u>
<u>OPERATING INCOME (LOSS)</u>	74,777	947,691
<u>NONOPERATING REVENUE</u>		
Grant from City of New Orleans	550,000	-
Insurance proceeds	432,448	60,343
Interest income	230,424	51,057
Total nonoperating revenue	<u>1,212,872</u>	<u>111,400</u>
Income before transfer	1,287,649	1,059,091
<u>TRANSFERS</u>		
Transfer to City of New Orleans	<u>(100,000)</u>	<u>(100,000)</u>
<u>CHANGE IN NET POSITION</u>	<u>\$ 1,187,649</u>	<u>\$ 959,091</u>
<u>NET POSITION, BEGINNING OF THE YEAR</u>	<u>29,467,031</u>	<u>28,507,940</u>
<u>NET POSITION, END OF THE YEAR</u>	<u>\$ 30,654,680</u>	<u>\$ 29,467,031</u>

The accompanying notes are an integral part of these financial statements.

FRENCH MARKET CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS THEN ENDED DECEMBER 31, 2023 AND 2022

	2023	2022 (As restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Received from tenants	\$ 10,969,177	\$ 9,783,608
Received from others	64,662	624,053
Paid to employees for services	(3,440,065)	(3,653,648)
Paid to suppliers for goods and services	(6,746,921)	(5,352,187)
Net cash provided by operating activities	<u>846,853</u>	<u>1,401,826</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfer out to the City of New Orleans	(100,000)	(100,000)
Insurance proceeds	432,448	1,237,601
Net cash provided by noncapital financing activities	<u>332,448</u>	<u>1,137,601</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Payments for capital additions	(1,002,766)	(1,497,331)
Net cash used in capital and related financing activities	<u>(1,002,766)</u>	<u>(1,497,331)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest received	230,424	51,057
Net cash provided by investing activities	<u>230,424</u>	<u>51,057</u>
Net change in cash and cash equivalents	406,959	1,093,153
Cash and cash equivalents, beginning of year	<u>15,092,847</u>	<u>13,999,694</u>
Cash and cash equivalents, end of year	<u>\$ 15,499,806</u>	<u>\$ 15,092,847</u>
Reconciliation of net operating income (loss) to net cash provided by operating activities areas follows:		
Operating income (loss)	\$ 74,777	\$ 947,691
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	1,001,532	1,017,349
Bad debt expense	35,274	-
Decrease (increase) in tenants receivable	1,207,087	(87,016)
Increase in prepaid and other assets	(100,026)	(49,865)
Increase (decrease) in deferred outflow of resources	(813,574)	92,488
Decrease (increase) in accounts payable	(29,442)	187,597
Decrease (increase) in rental deposits	(1,232)	582
Increase (decrease) in due to governmental agencies	169,782	(232,314)
Decrease in unearned revenue	(30,016)	(8,230)
Decrease (increase) in compensated absences	(125,337)	59,652
Increase (decrease) in pension liability	887,613	(451,623)
Decrease in deferred inflow of resources	(1,429,585)	(74,485)
Net cash provided by operating activities	<u>\$ 846,853</u>	<u>\$ 1,401,826</u>

The accompanying notes are an integral part of these financial statements.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies

Organization

The French Market Corporation (the Market), a Louisiana Public Benefit Corporation was organized on March 15, 1973, to provide for the operation and maintenance of the French Market Properties owned by the City of New Orleans. These properties include five buildings and the Farmers Market. The Market is owned by the City of New Orleans and administered by a Board of Directors consisting of twelve members appointed by the Mayor of the City of New Orleans.

Reporting Entity

The Market is presented as a component unit of the City of New Orleans. Component units are legally separate organizations for which elected officials of the primary government (City of New Orleans) are financially accountable. Component unit status is determined using the following criteria:

The City of New Orleans is financially accountable if it appoints a voting majority of the Market's governing body and is either:

1. Able to impose its will on the Market.
2. There is potential for the Market to provide specific financial benefits to or impose financial burdens on the City of New Orleans. The City of New Orleans may be financially accountable if the Market is fiscally dependent on the City of New Orleans.

The City of New Orleans appoints a voting majority of the Market's governing body and there is potential for the Market to provide specific financial benefits to the City of New Orleans. This qualifies the Market as a component unit of the City of New Orleans. The accompanying financial statements present information only on the Market and do not present information on the City of New Orleans. There are no component units of the Market.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The term measurement focus is used to denote what is being measured and reported in the Market's financial statements. The Market is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether the Market is better or worse off economically as a result of events and transactions of the period.

The term basis of accounting is used to determine when a transaction or event is recognized on the Market's financial statements. The Market uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

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

The Market is presented similar to enterprise funds which are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

Accounting Estimates

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

Cash and cash equivalents

For purposes of the statements of cash flows, the Market considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include amounts in non-interest-bearing demand deposits. Under state law, the Market may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States of America.

Tenants Receivable

Tenants receivable are carried at a net amount determined by the original billings for space rentals and related fees, less vacancy adjustments, less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Market does not charge interest on tenants receivable. Tenants receivable are written-off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written-off are recorded as a reduction of bad debt expense when received. The Market expects all tenants receivable as of December 31, 2023, and 2022, to be fully collectible; therefore, no allowance for doubtful accounts was recorded as of December 31, 2023, and 2022. For the years ended December 31, 2023 and 2022, the Market identified uncollectible tenant receivable amounts and recorded bad debt expense of \$35,274 and \$0, respectively.

Capital Assets

Capital assets are defined by the Market as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or the estimated acquisition value at the time of contribution to the Market. Major outlays for capital assets are capitalized as projects are constructed. Interest incurred (net of interest earned on invested proceeds during the construction phase) is reflected in the capitalized value of the capital assets constructed.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10-50 years
Furniture, fixtures, and equipment	5-10 years
Vehicles	5 years
Software	3 years

Contributed capital assets are valued at their estimated acquisition value at the date contributed. Capital assets are reviewed to evaluate prominent events or changes in circumstances to determine whether impairment of capital assets has occurred. The Market follows guidance in GASB 42, as applicable, to record the effects of capital asset impairments.

Deferred outflow of resources

A deferred outflow of resources represents a consumption of resources that are applicable to future reporting periods that will be reported in a separate section after assets.

Compensated absences

The Market's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave are recorded as expenses and liabilities as the benefits accrued to the employees. Employees are permitted to accumulate a limited amount of earned but unused vacation benefits which are to be paid to employees upon separation from the Market.

GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, liability is recognized for that portion of accumulating sick leave benefits that are vested as severance pay.

All full-time classified employees of the Market hired prior to January 1, 1979, are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978, can accrue a maximum of 45 days of annual leave and an unlimited number of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon current hourly rate of pay and for accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting accrued sick leave to additional years of service.

Rental deposits

Deposits received in advance as part of the Market's lease arrangements with commercial and residential tenants are initially recorded at fair value and are disclosed in the financial statements separately from other liabilities such as accounts payable and accrued expenses. Deposits are typically one month's rent.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Deferred inflows of resources

A deferred inflow of resources represents acquisition of resources that are applicable to a future reporting period that will be reported in a separate section after liabilities.

The deferred inflow of resources associated with leases is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, lease any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow is recognized in a systematic and rational manner over the term of the lease.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Employees Retirement System of the City of New Orleans and additions to/deductions from the Employees Retirement System of the City of New Orleans fiduciary net position have been determined on the same basis as they are reported by the Employees Retirement System of the City of New Orleans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position classifications are defined as follows:

Net Investment in capital assets – This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” as described above.

When both restricted and unrestricted resources are available for use, the Market’s policy is to use restricted resources first, then unrestricted resources as they are needed.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies (continued)

Revenues and expenses

The Market distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Market's ongoing operations. The principal operating revenues of the market are tenant rental revenue, advertising revenue, and parking revenue. Operating expenses include the costs of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Recent Pronouncements - Adopted

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022. The adoption of this standard did not have any material impact on the financial statements of the Market.

Recent Pronouncements – Not Yet Adopted

The GASB issued Statement No. 99, Omnibus 2022. The requirements of this Statement related to the enhancement in comparability in accounting and financial reporting related to financial guarantees, other derivative instruments, extended use of LIBOR and other technical corrections and are effective for periods beginning after June 15, 2023.

The GASB issued Statement No. 100, Accounting Changes and Error Correction — an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for fiscal years beginning after June 15, 2023.

The GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal year beginning after December 15, 2023

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Cash and Cash Equivalents

Under state law, the Market's deposits (or the resulting bank balances) must be insured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Custodial credit risk is the risk that in the event of a bank failure, the Market's deposits may not be returned to it under state law. As of December 31, 2023 and 2022, the Market's deposits had a carrying amount of \$15,499,806 and \$15,092,847, respectively. As of December 31, 2023 and 2022, the Market had a bank balance of \$15,744,547 and 15,637,376, respectively, of which \$250,000 was covered by federal depository insurance. As of December 31, 2023 and 2022, \$15,494,547 and \$15,387,376, respectively, was covered by collateral held in the name of the pledging fiscal agent bank in a holding or custodial bank.

3. Capital Assets

The capital assets of the Market as of December 31, 2023, and 2022, consist of the following:

	January 1, 2023	Additions	Reductions	December 31, 2023
Land	\$ 151,917	\$ -	\$ -	\$ 151,917
Construction in progress	1,606,846	337,181	-	1,944,027
Buildings and improvements	44,506,617	530,967	-	45,037,584
Furniture, fixtures, and equipment	2,347,608	118,181	(124,166)	2,341,623
Automobiles	73,364	16,437	(26,012)	63,789
Software	135,581	-	(25,859)	109,722
Total	48,821,933	1,002,766	(176,037)	49,648,662
Accumulated depreciation	(30,998,300)	(1,001,532)	176,037	(31,823,795)
Capital assets, net	<u>\$ 17,823,633</u>	<u>\$ 1,234</u>	<u>\$ -</u>	<u>\$ 17,824,867</u>

	January 1, 2022	Additions	Reductions	December 31, 2022
Land	\$ 151,917	\$ -	\$ -	\$ 151,917
Construction in progress	560,031	1,046,815	-	1,606,846
Buildings and improvements	44,218,933	287,684	-	44,506,617
Furniture, fixtures, and equipment	2,210,041	137,567	-	2,347,608
Automobiles	48,098	25,266	-	73,364
Software	135,581	-	-	135,581
Total	47,324,601	1,497,332	-	48,821,933
Accumulated depreciation	(29,980,951)	(1,017,349)	-	(30,998,300)
Capital assets, net	<u>\$ 17,343,650</u>	<u>\$ 479,983</u>	<u>\$ -</u>	<u>\$ 17,823,633</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Capital Assets (continued)

As of December 31, 2023 and 2022, the construction in progress of \$1,944,027 and \$1,606,845, respectively, consists primarily of improvements to the Riverside parking lot and architectural and engineering costs for improvements to the Upper Pontalba building, respectively. During the years ended December 31, 2023, and 2022, the Market had disposals of \$176,037, and \$0, with a net book value of \$0 and \$0, respectively.

4. Leases

At December 31, 2023, the Market has lease receivables in which the Market is acting as lessor with lease terms greater than one year. Included in the lease receivable are leases with terms of more than one year on 56 Market properties located in the Upper Pontalba, Colonnade, Edison Park, Farmer's Market and Oscar Dunn Park. The agreements expire at various intervals through the year 2054. Under GASB 87, an implicit interest rate is calculated for each individual lease using the internal rate of return method. The inflows of resources are recognized ratably over the lease using the net present value as of the inception of the leases at a 4.5% discount rate. The lease must be longer than one year including possible extension(s).

Residential leases, parking, flea market open space and special event rentals are generally for a term of one year or less and these amounts do not meet the requirements for recognition under GASB 87. For the years ended December 31, 2023 and 2022, amounts included in rental income related to the short-term leases is \$5,370,942 and \$5,516,570, respectively. The Market is also paid overage rent if the percentage of sales exceeds the base rent and these variable rent amounts do not meet the requirements for recognition under GASB 87. During the years ended December 31, 2023, and 2022, variable rent earned on leases with terms of one year or more totaled \$3,067,055 and \$2,716,224, respectively.

The following is a summary of the balances associated with the lessee transactions recorded at December 31:

	<u>2023</u>	<u>2022</u>
Lease receivable		
Current	\$ 1,566,314	\$ 1,298,875
Non-current	<u>13,526,790</u>	<u>14,957,193</u>
Total lease receivable	<u>\$ 15,093,104</u>	<u>\$ 16,256,068</u>
Deferred inflows - leases	<u>\$ 14,571,405</u>	<u>\$ 16,000,990</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. Leases (continued)

The remaining principal and interest on the Market's lease receivable are presented in the following table:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2024	\$ 1,566,314	\$ 646,851	\$ 2,213,165
2025	1,542,049	576,585	2,118,634
2026	1,498,645	508,553	2,007,198
2027	1,440,052	441,160	1,881,212
2028	1,221,729	381,342	1,603,071
2029 - 2033	3,148,030	1,332,375	4,480,405
2034 - 2038	1,520,795	879,108	2,399,903
2039 - 2043	1,004,006	580,847	1,584,853
2044 - 2048	926,537	385,483	1,312,020
2049 - 2054	1,224,947	152,674	1,377,621
	<u>\$ 15,093,104</u>	<u>\$ 5,884,978</u>	<u>\$ 20,978,082</u>

5. Pension Plan

General Information about the Pension Plan

Plan Description

The Retirement System is a cost-sharing multiple-employer defined benefit pension plan established on July 1, 1947, to provide retirement allowances and other benefits to all officers and employees of Orleans Parish, except those who are already or may be included in the benefits of any other pension or retirement system of the city, the state or any political subdivision of the state. The Employees Retirement System of the City of New Orleans (the Plan) issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the Louisiana Legislative Auditor's website at www.lla.la.gov or www.nola.gov/nomers.

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Benefits Provided – Regular Benefits

Employees hired prior to January 1, 2018, are eligible for the below regular benefits:

Normal Retirement Age:	5 years of service and age 65 30 years of service, regardless of age Any member whose age and service total 80 points
Normal Retirement Benefit:	2.5% of average compensation times creditable service for the first 25 years plus 4.0% of average compensation times creditable service Thereafter
Average Annual Compensation:	Average annual compensation for the highest consecutive 60 month period. Compensation for purposes of calculating a pension is capped at \$200,000 per year.
Early Retirement Provisions:	10 years of service and age 60
Early Retirement Benefit:	Normal retirement benefit, reduced by 3% per year prior to age 62

Employees hired on or after January 1, 2018, are eligible for the below regular benefits:

Normal Retirement Age:	5 years of service and age 65 20 years of service and age 60 30 years of service, regardless of age Any member whose age and service total 80 points
Normal Retirement Benefit:	2.5% of average compensation times creditable service
Early Retirement Provisions:	10 years of service and age 60
Average Annual Compensation:	Average annual compensation for the highest consecutive 60 month period. Compensation for purposes of calculating a pension is capped at the Internal Revenue Code Section 401 (a)(17) limit.

A Retirement Incentive Plan was adopted for participating members with a retirement date in 2020. If a member dies after retirement and before receiving the amount of the member's accumulated contributions in annuity payments, then the lump-sum balance of the member's contributions is paid to the members beneficiary.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Benefits Provided – Disability Benefits

Ordinary disability benefits are awarded to active members with ten or more years of creditable service if a physician nominated by the board of trustees certifies that the member is totally incapacitated and that such incapacitation is likely to be permanent.

The member receives a service retirement allowance, if eligible; otherwise, the member will receive a disability retirement allowance which will consist of:

1. An annuity which is the actuarial equivalent of the employee's accumulated contributions; and
2. An annual pension, which, together with (1), equals 75% of service allowance that would have been payable at age sixty-five, had a member continued in service to age sixty-five, computed on the average compensation.

Accidental disability retirement benefits are awarded to members whom the board of trustees finds has been totally and permanently incapacitated as a result of an accident sustained in service as a member and occurring while in performance of duty, without willful negligence on the member's part, if a physician nominated by the board certifies that the member is mentally or physically totally incapacitated and that such is likely to be permanent. The member receives a service retirement allowance, if eligible; otherwise, the member will receive an accidental disability retirement allowance which will consist of:

1. An annuity which is the actuarial equivalent of the employee's accumulated contributions; and
2. An annual pension equal to the difference between his annuity and 65% of earnable compensation for the year preceding the date of the accident.

Medical examinations are required once each year during the first five years after retirement and once every three years thereafter until age sixty. Accidental disability benefits are offset by workmen's compensation payments, if any.

Benefits Provided – Survivor Benefits

Upon the death of a member during active service, the member's accumulated plan contributions are paid to the member's beneficiary. In addition, if a member has three years of creditable service, an additional lump sum benefit equals to 25% of the member's preceding year's base earnings plus 5% of earnings for each additional year of creditable service (benefit not to exceed compensation made before death) is paid. Also, if at the date of death, the member was eligible for retirement and leaves a surviving spouse, the surviving spouse shall be eligible to elect either Option 2 or lump sum refund of employee's contributions. If, at date of death, the member was ineligible for retirement, but was at least fifty-five years of age and had ten or more years of creditable service or was under age fifty-five and had at least twenty years of creditable service, then the surviving spouse may elect to receive a lump-sum benefit equal to an actuarially reduced amount based upon the members' age and years of creditable service. The benefit will cease when the surviving spouse reaches the age of eligibility for Social Security. Any death benefit will be offset by worker's compensation benefits.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Benefits Provided – Optional forms of benefits

1. If a member dies before receiving, in annuity payments, the value of his annuity at the time of his retirement, then the balance is payable to his beneficiary.
2. 100% survivor's benefits - reduced retirement benefit continued to the beneficiary at the member's death. If the spouse predeceases the retiree, the benefit reverts back to the maximum amount.
3. 50% survivor's benefits - 50% of reduced retirement benefit continued to the beneficiary at the member's death. If the spouse predeceases the retiree, the benefit reverts to the maximum amount.
4. Other benefits of equal actuarial value may be available upon approval of the board of trustees.

Withdrawal from Service

Upon withdrawal from service, members are entitled to:

1. Effective January 1, 2002, a member who separates with five years of creditable service may allow his accumulated contributions to remain on deposit and service retirement allowance to begin as early as age sixty-five.
2. Prior to January 1, 2002, a member who separated with ten years of creditable service may allow accumulated contributions to remain on deposit and service retirement allowance to begin as early as age sixty (subject to reduction if retirement is elected before age sixty-two). If death occurs before retirement, accumulated contributions are returned with interest.
3. Upon withdrawal without five years of creditable service, the member is entitled to return of accumulated contributions with interest or may allow contributions to remain on deposit for maximum of five years. In the case of employee's death, then accumulated contribution plus interest are paid to the member's beneficiary.
4. If a member re-enters after receipt of refund and continues service thereafter for at least six months, the member may repay the amount of refund plus the amount of employer contributions, with compound interest, to receive prior creditable service again.

Deferred Retirement Option Plan (DROP)

In lieu of receiving a service retirement allowance, any member of the Retirement System who has more than sufficient service for a regular service retirement may elect to participate in the DROP program. However, members who commenced employment after January 1, 2018, and members with less than ten years of service as of January 1, 2018, cannot exceed three years. Other members may participate for up to five years. Effective the date of participation in DROP, the member stops contributing to and earning benefits in the system; employer contributions also end, and the retirement benefit begins being paid into the member's DROP account.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Deferred Retirement Option Plan (DROP) (continued)

Interest is earned on the DROP account at an annual rate set by the board of trustees. Members of the DROP receive cost of living increases, as they would have received as a retiree. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After the DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation. If at the end of DROP participation, the member does not terminate employment, payments in DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated.

Cost of Living Adjustments

Cost of living provisions for the Retirement System allows the board of trustees to provide an annual cost of living increase. The board of trustees retains trust earnings or gains in excess of an average 3.5% to provide cost of living increases in benefits to retirees (past or future) not to exceed 3% of the initial benefit per each year of retirement, provided that the Retirement System's funded ratio is at least 95%. Such benefit shall be awarded and paid only when funds are available from this source as determined by the board of trustees.

Contributions (Employer)

Contribution requirements for all employers are determined on the basis of regular interest and mortality tables adopted by the board of trustees, and additional percentage of earnable compensation, known as "Accrued Liability Contributions," determined by an actuary on basis of the amortization period adopted by the board of trustees. The Market was required to contribute 18.15% from January 1, 2022, through December 31, 2022, of annual covered payroll. Employees are required to contribute 6% of their annual pay. The Plan does not receive non-employer contributions.

The Market's proportionate share of employer contributions for the measurement period (January 1, 2022, through December 31, 2022) was \$659,946.

The Market's contributions to the Plan, which were equal to the required contribution were \$351,547, \$329,239, and \$278,605, respectively for the years ended December 31, 2023, 2022, and 2021. However, the Market does not guarantee any of the benefits granted by the plan. The contribution requirements of Retirement System members of the Market are established and may be amended by the Retirement System's board of trustees.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

As of December 31, 2023, and 2022, the Market reported a liability of \$3,715,664 and \$2,828,051, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of January 1, 2023. The Market's proportion of the Net Pension Liability was based on a projection of the Market's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2023, and 2022, the Market's proportion was 1.002470% and 1.072067%.

For the years ended December 31, 2023, and 2022, the Market recognized an increase of pension expense of \$74,039 and an increase of pension expense \$150,697, respectively, as adjusted for the Market's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$257,962, and \$200,175, respectively.

The total pension liabilities for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of the reported measurement dates. In addition, the Market's allocation of the net pension liabilities was based on the Market's projected contribution effort to the Plan for the next fiscal year as compared to the total of projected contributions of all participants actuarially determined.

As of December 31, 2023, the Market reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	<u>2023</u>	
	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience	\$ 219,519	\$ -
Net difference between projected and actual earnings on pension plan investments	443,627	-
Changes in assumptions	77,205	(10,592)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(356,230)
Employer contributions subsequent to measurement date	351,547	-
	<u>\$ 1,091,898</u>	<u>\$ (366,822)</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions (continued)

As of December 31, 2022, the Market reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	<u>2022</u>	
	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience	\$ 387,804	\$ (47,552)
Net difference between projected and actual earnings on pension plan investments	189,943	(524,639)
Changes in assumptions	34,861	(22,655)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(435,498)
Employer contributions subsequent to measurement date	329,238	-
	<u>\$ 941,846</u>	<u>\$ (1,030,344)</u>

The Market recognized in pension expense the Market's proportionate share of the plan's change in net pension liability as follows:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through each pension plan.

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions (continued)

Changes in the Market's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in Market's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.

Differences between contributions remitted to the Plan during the measurement period and the employer's proportionate share of contributions are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.

The Market's contributions subsequent to the measurement date in the amount of \$351,547 were reported as deferred outflow of resources will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2023. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ (29,950)
2025	83,484
2026	111,341
2027	<u>208,654</u>
Total	<u>\$ 373,529</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023, are as follows:

Valuation Date	January 1, 2023 (2023)
Actuarial Cost Method	Entry Age Actuarial Cost Method.
Investment rate of return	7.25% per year
Projected Salary increases	Age-based annual rates ranging from 3.2% to 10%.
Mortality Rates	<i>Healthy Pre-Retirement:</i> PubG-2010 Employee Mortality Tables, amount-weighted, projected generationally with Scale MP-2020 <i>Healthy Post-Retirement:</i> PubG-2010 General Healthy Retiree Tables, amount-weighted, projected generationally with Scale MP-2020 <i>Disabled:</i> PubNS-2010 Non-Safety Disabled Retiree Tables, amount-weighted, projected generationally with Scale MP-2020.
Retirement Age Assumptions	Based on results of the 2011 – 2016 Actuarial Experience Study as performed by another actuary.
Expected Remaining Service Lives	Study 4 years (8 years for periods prior to 2019)
Cost of Living Adjustment	The present value of future retirement benefits is based on benefits currently being paid and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees as they were deemed not to be substantively automatic.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The best estimates of arithmetic real rates of return for each major asset class based on the Plan's target asset allocation as of December 31, 2023, and 2022, as summarized in the following table:

<u>Asset Class (12/31/2023)</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighted Rate of Return</u>
Cash Equivalents	2.0%	0.71%	0.01%
Equity	42.5%	6.91%	2.94%
International equity	14.0%	7.75%	1.09%
Fixed income	22.0%	1.80%	0.40%
Real estate	5.0%	3.61%	0.18%
Hedge Funds and GTAA	9.5%	3.21%	0.30%
Private investments	5.0%	9.96%	0.50%
Total	<u>100.0%</u>		<u>5.42%</u>

<u>Asset Class (12/31/2022)</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighted Rate of Return</u>
Cash Equivalents	2.0%	0.10%	0.00%
Equity	42.5%	6.40%	2.72%
International equity	14.0%	7.41%	1.04%
Fixed income	22.0%	0.60%	0.13%
Real estate	5.0%	3.90%	0.20%
Hedge Funds and GTAA	9.5%	2.75%	0.26%
Private investments	5.0%	10.40%	0.52%
Total	<u>100.0%</u>		<u>4.87%</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
Employer's proportionate share of the net pension liability	\$ 4,609,336	\$ 3,715,664	\$ 2,969,891

Included in due to governmental agencies were contributions payable to the pension plan in the amount of \$8,627 and \$6,228 as of December 31, 2023 and 2022, respectively.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees Retirement System of the City of New Orleans 2023 Comprehensive Annual Financial Report at www.nola.gov/nomers.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. Unrestricted Net Position

Unrestricted board designated net position consisted of the following as of December 31, 2023:

	<u>2023</u>	<u>2022</u>
Revenue reserves	\$ 5,617,386	\$ 4,075,314
On-going and future capital projects	5,992,144	4,867,782
Insurance reserves	1,220,283	2,621,534
Maintenance reserves	-	78,768
Total	<u>\$ 12,829,813</u>	<u>\$ 11,643,398</u>

7. Related Party Transactions

The lease and franchise agreement between the Market and the City, which ends on December 31, 2050, requires an annual lease payment equal to the greater of \$100,000 or 20% of the net adjusted revenues of certain properties. As of December 31, 2023 and 2022, included in due to governmental agencies is \$100,000 and \$100,000, respectively, for the lease agreement.

The City of New Orleans prepares and processes the payroll of the Market through the City of New Orleans payroll process. The Market reimburses the payroll expense monthly. As of December 31, 2023 and 2022, included in due to governmental agencies is \$242,440 and 72,658, respectively, for reimbursement of payroll expenses.

	<u>2023</u>	<u>2022</u>
Due to City for Lease of French Market Properties	\$ 100,000	\$ 100,000
Due to City for reimbursement of payroll costs	242,440	72,568
	<u>\$ 342,440</u>	<u>\$ 172,568</u>

8. Risk Management

The Market is exposed to various risks of loss to torts; theft of; damage to and destruction of assets for which the Market carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

9. Parking Agreement

Effective February 1, 2020, the Market outsourced the parking operations through a management and operating agreement with a third party. The management and operating agreement is for an initial term of one year with up to four additional consecutive one-year extensions at the Market's sole option. The agreement includes a fixed fee payable to the Market of \$170,917 monthly and an additional annual payment based on meeting or exceeding agreed upon gross revenue amounts. The Market has a receivable in the amount of \$209,496 and \$191,342 as of December 31, 2023 and 2022, respectively

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

10. Hurricane Ida Impact

On August 29, 2021, Hurricane Ida struck the Louisiana gulf coast causing considerable damage to the Greater New Orleans area and the temporary relocation of some of the population of Orleans Parish and the surrounding areas. The Market experienced damage from Hurricane Ida to three of its buildings (Building E, Building C, and the Upper Pontalba Building (UPB)). Due to the damage to Building E the administrative office relocated to two vacant commercial spaces at the UPB. Due to the power outages sustained during Hurricane Ida, the Market remained closed for approximately three weeks. The Market also experienced a loss of percentage and advertising rent due to the closures.

11. Prior Period Adjustment

During the year ended December 31, 2023, the Market discovered that the previously issued 2022 financial statements had understated the pension expense by \$697,813 on the statement of revenues, expenses, and changes in net position during the year ended December 31, 2022 and understated the deferred outflows on the statement of financial position as of December 31, 2022 by \$52,778 and understated the deferred inflows on the statement of financial position as of December 31, 2022 by \$750,591. The Market has restated these financial statements, along with the associated impact on the statement of cash flows within the accompanying financial statements.

12. Subsequent Event

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 18, 2024, and determined that the following events require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

On March 12, 2024, the Market entered into an agreement with a construction contractor in the amount of \$6,633,000 for the renovation of the Administration Building E that was damaged in Hurricane Ida. The construction costs will be funded from on-going and future capital project reserve amounts.

On March 21, 2024, the New Orleans City Council authorized the City and the District to enter into an agreement for the City of New Orleans to provide \$8 million of funding for the design and construction of improvements to the Upper Pontalba Building, including the repair and replacement of the HVAC system, related electrical and mechanical systems, courtyards, windows, facades, and other exterior and interior repairs described throughout the cooperative endeavor agreement.

REQUIRED SUPPLEMENTARY INFORMATION

FRENCH MARKET CORPORATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Employers Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2023	\$ 270,361	\$ 351,547	\$ 1,489,482	23.602%
2022	\$ 262,124	\$ 329,238	\$ 1,525,966	21.576%
2021	\$ 275,202	\$ 278,605	\$ 1,558,684	17.874%
2020	\$ 313,123	\$ 404,785	\$ 2,045,542	19.789%
2019	\$ 418,792	\$ 404,785	\$ 1,876,188	21.575%
2018	\$ 487,207	\$ 442,237	\$ 1,907,005	23.190%
2017	\$ 400,282	\$ 400,282	\$ 1,721,495	23.252%
2016	\$ 424,950	\$ 424,950	\$ 1,887,647	22.512%
2015	\$ 376,012	\$ 401,501	\$ 1,665,393	24.108%

Note: Employer's covered employee payroll amount represents the amount from the 2023 year.

Note: GASB 68 requires this schedule to show information for 10 years. The Market implemented GASB 68 during the 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See independent auditor's report on required supplementary information.

FRENCH MARKET CORPORATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	1.002470%	1.072067%	1.147950%	1.367907%	1.459727%	1.739063%	1.739063%	1.707800%	1.780780%
Employer's Proportionate Share of the Net Pension Liability	\$ 3,715,664	\$ 2,828,051	\$ 3,279,674	\$ 4,160,820	\$ 4,271,384	\$ 4,137,911	\$ 4,442,786	\$ 3,981,606	\$ 3,017,097
Employees Covered-Employee Payroll	\$ 1,489,482	\$ 1,525,966	\$ 1,558,684	\$ 2,045,542	\$ 1,876,188	\$ 2,008,696	\$ 1,721,495	\$ 1,887,647	\$ 1,665,393
Employer's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	249.46%	185.33%	210.41%	203.41%	227.66%	206.00%	258.08%	210.93%	181.16%
Plan Fiduciary Net Position as a Percentage of total Pension Liability	53.25%	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%	60.26%	68.26%

Note: GASB 68 requires this schedule to show information for 10 years. The Market implemented GASB 68 during the 2015 fiscal year. Therefore, additional years will be displayed as they become available.

See independent auditor's report on required supplementary information.

FRENCH MARKET CORPORATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023

Changes in Benefit Terms

There were no changes of benefits terms for the year ended December 31, 2023.

Changes in Assumptions

There were no changes of benefits assumptions for the year ended December 31, 2023.

OTHER SUPPLEMENTARY INFORMATION

FRENCH MARKET CORPORATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name: Leslie Alley, Executive Director

Salary	\$ 156,442
Benefits - Health Insurance	9,000
Benefits - Retirement	26,827
Deferred Compensation	-
Workers Compensation	300
Benefits - Life Insurance	88
Benefits - Long Term Disability	-
Benefits - FICA & Medicare	11,968
Car Allowance	-
Vehicle Provided by the Agency	-
Cell Phone	-
Dues	-
Vehicle Rental	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Unvouchered Expenses	-
Meetings and Conventions	-
Other	-
	<hr/>
	<u>\$ 204,625</u>

See accompanying independent auditor's report



**INDEPENDENT AUDITOR’S 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**

The Board of Directors
French Market Corporation
(A Proprietary 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 business-type activities, of the French Market Corporation (the Market) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Market’s basic financial statements, and have issued our report thereon dated June 18, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Market’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Market’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Market’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 entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 18, 2024

FRENCH MARKET CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Summary of Independent Auditor's Results

Financial Statements

- (a) The type of report issued on the basic financial statements: **Unmodified.**
- (b) Internal control over financial reporting:
- Material weakness(es) identified: **None reported.**
- Significant deficiency(ies) identified: **None reported.**
- (c) Noncompliance which is material to the basic financial statements: **None reported.**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None reported.

FRENCH MARKET CORPORATION
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2023

RICHARD  CPAS

FRENCH MARKET CORPORATION
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2023

FRENCH MARKET CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of French Market Corporation and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. French Market Corporation's (the Market) management is responsible for those C/C areas identified in the SAUPs.

The Market 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 fiscal period January 1, 2023, through December 31, 2023. 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 we performed, and the associated results are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Market 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 Market and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Richard CPAS

Metairie, Louisiana
June 18, 2024

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*No exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

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

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Not applicable – The Market does not have debt.

xi. 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.

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No exceptions were found as a result of this procedure.

2) *Board or Finance Committee*

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i.* Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- ii.* For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were found as a result of this procedure.

- iii.* For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3) *Bank Reconciliations*

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

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

No exceptions were found as a result of this procedure.

ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged);

Exception noted. The June 2023 bank reconciliation for one bank account tested was prepared in November 2023 and reviewed in November 2023.

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

No exceptions were found as a result of this procedure.

4) *Collections (excluding electronic funds transfers)*

A. 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).

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv.* 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i.* Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

No exceptions were found as a result of this procedure.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

- A. 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).

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

6) *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

- A. 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 person who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under #6B 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.

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

A. 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:

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

8) Contracts

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

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

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

- i.* Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.]

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

10) *Ethics*

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

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

11) *Debt Service*

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable – The Market did not issue any debt in 2023.

- B. 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).

Not applicable – The Market has no bonds/notes outstanding on December 31, 2023.

12) *Fraud Notice*

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

13) *Information Technology Disaster Recovery/Business Continuity*

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #91A, cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

We performed the procedure and discussed the results with management.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2023

14) *Prevention of Sexual Harassment*

- A. Using the 5 randomly selected employees/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 as required by R.S. 42:343.

No exceptions were found as a result of this procedure.

- B. Observe 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).

No exceptions were found as a result of this procedure.

- C. 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 it includes the applicable requirements of R.S. 42:344:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.



June 17, 2024

RICHARD CPAS
3421 N. Causeway Blvd. Suite 403
Metairie, Louisiana 70002

Subject: Management's Response

The following are the French Market Corporation's (the Market) responses to the findings observed in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2023.

C. Bank Reconciliations: The Market concurs with the observation and will implement procedures to document the review of the bank reconciliations within two months.

Please let us know if you need additional information.

Respectfully,

A handwritten signature in blue ink that reads "Katherine C. Guidry".

Katherine C. Guidry
Executive Director