

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.**

FINANCIAL STATEMENTS

December 31, 2019 and 2018



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**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Table of Contents
December 31, 2019 and 2018**

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Statements of Financial Position	3
----------------------------------	---

Statements of Activities	4
--------------------------	---

Statements of Functional Expenses	5
-----------------------------------	---

Statements of Cash Flows	6
--------------------------	---

Notes to Financial Statements	7
-------------------------------	---

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head	14
---	----

GOVERNMENT AUDITING STANDARDS REPORT

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
---	----

Schedule of Findings and Responses	17
------------------------------------	----

Summary Schedule of Prior Audit Findings	18
--	----



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB), which comprise the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to IDB's preparation and fair presentation of the financial statements 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 IDB's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDB as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head (as required by Louisiana Revised Statute 24:513(A)(3)) on page 13 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 September 24, 2020, on our consideration of IDB'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 IDB'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 IDB's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Metairie, Louisiana

9/24/2020

**The Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statements of Financial Position**

<i>December 31,</i>	<i>2019</i>	<i>2018</i>
Assets		
Current assets		
Cash	\$ 406,035	379,812
Certificates of deposit	2,367,847	1,113,214
LAMP - cash equivalent	302,061	-
Accrued interest receivable	8,346	3,163
Prepaid expenses	7,843	7,731
Total current assets	3,092,132	1,503,920
Non-current assets		
Certificates of deposit	-	1,256,886
Total assets	\$ 3,092,132	\$ 2,760,806
Liabilities and Net Assets		
Current liabilities		
Deferred revenue	\$ 3,750	\$ 6,500
Accounts payable and accrued expenses	336	432
Total current liabilities	4,086	6,932
Net assets without donor restrictions	3,088,046	2,753,874
Total liabilities and net assets	\$ 3,092,132	\$ 2,760,806

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

**The Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statements of Activities**

<i>For the years ended December 31,</i>	2019	2018
	<i>Without Donor Restriction</i>	<i>Without Donor Restriction</i>
Revenues		
Annual administrative fees	\$ 443,970	\$ 438,569
Six Flags income	195,700	39,000
Closing costs	35,265	85,223
Interest income	56,977	31,782
Application fees	6,000	9,000
Other income	2,000	-
Total revenues	739,912	603,574
Expenses		
Six Flags program services	161,554	198,657
Other program services	36,096	45,502
Management and general	208,090	101,575
Total expenses	405,740	345,734
Increase (decrease) in net assets	334,172	257,840
Net assets at beginning of year	2,753,874	2,496,034
Net assets at end of year	\$ 3,088,046	\$ 2,753,874

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

**The Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statements of Functional Expenses**

For the years ended December 31

	2019				2018			
	Six Flags Program	Other Program	Management and General	Total	Six Flags Program	Other Program	Management and General	Total
Six Flags - Insurance	\$ 6,033	\$ -	\$ -	\$ 6,033	\$ 5,828	\$ -	\$ -	\$ 5,828
Six Flags - Legal	3,240	-	-	3,240	5,513	-	-	5,513
Six Flags - Maintenance	2,065	-	-	2,065	2,920	-	-	2,920
Six Flags - Miscellaneous	1,300	-	-	1,300	2,181	-	-	2,181
Six Flags - Security	130,285	-	-	130,285	165,516	-	-	165,516
Payroll and related expenses	16,218	32,437	64,443	113,098	15,861	43,619	52,339	111,819
Professional fees	-	-	47,997	47,997	-	-	30,505	30,505
Rental expense	1,106	2,212	4,394	7,712	340	936	5,988	7,264
Office expense and supplies	-	-	1,942	1,942	-	-	2,512	2,512
Insurance	-	-	1,682	1,682	-	-	2,516	2,516
Website expense	344	688	1,368	2,400	-	-	2,400	2,400
Parking and mileage	584	-	1,769	2,353	154	-	2,311	2,465
Travel and meetings	-	-	839	839	-	-	1,258	1,258
Telephone and internet	379	759	1,507	2,645	344	947	1,136	2,427
Postage and delivery	-	-	367	367	-	-	365	365
Miscellaneous	-	-	32	32	-	-	122	122
Advertising and promotional	-	-	-	-	-	-	123	123
Incentive for local initiative	-	-	81,750	81,750	-	-	-	-
Total	\$ 161,554	\$ 36,096	\$ 208,090	\$ 405,740	\$ 198,657	\$ 45,502	\$ 101,575	\$ 345,734

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

**The Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Statements of Cash Flows**

<i>For the years ended December 31,</i>	2019	2018
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 334,172	\$ 257,840
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Unrealized and realized (gains) losses on CDs and cash equivalents	192	(15,041)
Changes in operating assets and liabilities		
Accrued interest receivable	(5,183)	(423)
Prepaid expenses	(112)	4,693
Accounts payable and accrued expenses	(96)	432
Deferred revenues	(2,750)	(500)
Net cash provided by (used in) operating activities	326,223	247,001
Cash Flows from Investing Activities		
Purchase of LAMP investment	(300,000)	-
Maturities of certificates of deposit	-	267,041
Purchases of certificates of deposit	-	(1,151,658)
Net cash provided by (used in) investing activities	(300,000)	(884,617)
Net change in cash	26,223	(637,616)
Cash at beginning of year	379,812	1,017,428
Cash at end of year	\$ 406,035	\$ 379,812

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

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 1: DESCRIPTION OF THE ORGANIZATION

Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB) is a Louisiana non-profit corporation organized pursuant to the provisions of Title 51, Chapter 7 of the Louisiana Revised Statutes. IDB was created by the New Orleans City Council in 1972 to promote the retention, expansion, and attraction of business and commercial enterprises in Orleans Parish and to expand employment opportunities. IDB has the ability to issue taxable and tax-exempt revenue bonds and other obligations to acquire land, construct, purchase, or renovate buildings to acquire and install machinery and equipment, and to finance any other economic development efforts. IDB can issue bonds without the necessity of calling a public bond election or having a public sale of bonds. The bonds (either taxable or tax exempt) are financed by the developer. Tax-exempt bonds provide the incentive of a below market interest rate. IDB may also offer a Payment in Lieu of Taxes (PILOT). A PILOT, if granted, may assist the developer with their financing of the project.

IDB is also responsible for administering the upkeep and security of the former Six Flags amusement park (Six Flags) that was abandoned after Hurricane Katrina in 2005. Additionally, IDB continues to promote alternative uses for Six Flags to generate revenue.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. The only cash equivalents was LAMP (see 'Cash Equivalents – LAMP' section below) at December 31, 2019 and 2018.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of deposit

Certificates of deposit are stated at cost, which approximates fair value. Certificate terms typically range from one to two years.

Cash Equivalents - LAMP

Under Louisiana State law, the Board may invest in United States bonds, treasury notes, certificates, or LAMP, a local government investment pool. IDB has cash equivalents as of December 31, 2019 that are held in LAMP.

Accrued interest receivable

Accrued interest receivable is recorded for interest earned on certificates of deposit. The accrued interest is adjusted to actual interest earned based on the renewal dates.

Deferred Revenue

Deferred revenue consists of prepaid funds received by IDB from clients related to the future use of the Six Flags property and for costs of certain reports required by the IDB and/or pursuant to lease agreements for PILOT-related projects. There was deferred revenue of \$3,750 and \$6,500 at December 31, 2019 and 2018, respectively.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the IDB, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The entire net asset balance of IDB, \$3,088,046 in 2019 and \$2,753,874 in 2018, is classified as Net Assets without Donor Restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue recognition

The main sources of revenue for the IDB are from annual administrative fees, which are fees collected on projects (with or without bond issuance) that involve a PILOT, income from short-term rentals of the Six Flags property, and closing costs earned from the issuance of bonds for projects in the New Orleans area at 1/20 of 1% of bond issuance. IDB recognizes revenue from these sources when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Certain categories of expenses are attributable to one or more program or supporting functions of IDB. Those expenses include payroll and related expenses, rental expense, parking and mileage, and telephone and internet. Payroll and related expenses and telephone and internet are allocated based on estimates of time and effort. Rental expense is allocated based on both estimates of time and effort and on a square footage basis. Parking and mileage is allocated based on actual expense.

Advertising and Marketing

Advertising and marketing costs are expensed as incurred. Marketing expenses were \$0 in 2019. The entity incurred \$0 of advertising expenses in 2019 and \$123 in 2018 which were all related to marketing for movie companies to rent out Six Flags.

Income Taxes

Under section 501(c)(6) of the Internal Revenue Code, the IDB is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

of self-insurance activities, and commissions. IDB had no unrelated business income for the years ended December 31, 2019 and 2018.

IDB utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2019 and 2018, IDB has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. IDB believes it is no longer subject to income tax examinations for years prior to 2018.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 24, 2020, and determined there were events that occurred that required disclosure. See Note 9 for more detail on applicable subsequent events. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the new revenue recognition standard to annual period beginning after December 15, 2019. IDB has elected not to early adopt ASU 2014-09 and its amendments and is assessing the effect the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the Statements of Financial Position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statement of Activities. For IDB, the standard is effective for fiscal years ending December 31, 2020. Early

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

adoption is permitted. IDB has elected not to early adopt ASU 2016-02 and is assessing the effect the standard will have on the financial statements.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

IDB has \$3,084,289 of financial assets available within one year of the statement of financial position date consisting of cash of \$406,035, certificates of deposit of \$2,367,847, LAMP balance of \$302,061, and accrued interest receivable of \$8,346. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accrued interest receivable will be collected within one year. IDB has a goal to maintain financial assets, which consist of cash and certificates of deposit, on hand to meet the annual budgeted normal operating expenses (excluding Six Flags), which are, on average considering the last three years, approximately \$172,500. As part of its liquidity management, IDB invests cash in excess of daily requirements in various certificates of deposit.

NOTE 4: LAMP

IDB holds cash equivalents in LAMP, a local government investment pool. This pool is administered by a non-profit corporation, Louisiana Asset Management Pool, Inc., which was organized under the laws of the State of Louisiana and is not required to be a registered investment company under the Investment Company act of 1940; however, its policies are similar to those established by Rule 2a7, which governs registered money market funds. Only local government entities having contracted to participate in LAMP have an interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments and cash equivalent options.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAAM by Standard & Poor's. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's balances are stated at fair value based on quoted market values. The fair values of the assets are determined on a weekly basis to monitor any variances between amortized costs and fair values. LAMP, Inc. is subject to the

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 4: LAMP (CONTINUED)

regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2019 and 2018, IDB has cash equivalents in LAMP totaling \$302,061 and \$0, respectively.

NOTE 5: CONCENTRATIONS OF CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage under defined dollar limits. The FDIC is not obligated to pay uninsured deposits. IDB maintains demand and time deposit accounts and certificates of deposit at various banks. At times, the balance may exceed the federally insured amount. At December 31, 2019 and 2018, IDB's cash deposits and certificates of deposit exceeded the FDIC limits by \$519,326 and \$507,699, respectively. IDB has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash or certificates of deposit.

NOTE 6: COMMITMENTS

As the title to the Six Flags property is in IDB's name, the entity has a commitment to pay for upkeep of the property. In 2008, a servitude was granted on the property, and, as the property owner of record, IDB received a check for \$112,584. This money was maintained in an account for several years, but IDB has since used it to cover the costs to maintain the property. Expenses to maintain the property, which consist of security, professional fees (related to appraisal and environmental study), maintenance, insurance, legal, and marketing amounted to \$160,449 and \$198,657 for the years ended December 31, 2019 and 2018 respectively. Any expenses exceeding the lease income from the Six Flags property (see Note 8 below) must be budgeted from the operations of IDB.

NOTE 7: ECONOMIC ENVIRONMENT

Income is dependent primarily upon IDB receiving a sufficient number of applications wherein the applicant/developer is seeking bond financing through IDB and, additionally in some instances, a PILOT. In the long-term, these applications and the subsequent successful bond issuance generate closing costs income and potentially annual administrative fees if a PILOT is involved. All such projects occur in Orleans Parish. A decline in local and general economic conditions could affect the generation of revenue.

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Notes to Financial Statements**

NOTE 8: SIX FLAGS AGREEMENTS

IDB has signed multiple short-term lease agreements with film companies. The agreements give the companies the right to use the Six Flags property for movie filming. IDB received income related to Six Flags of \$195,700 and \$39,000, for the years ended December 31, 2019 and 2018, respectively. IDB hired security to maintain 24-hour security at the Six Flags site in April 2016. With the constant 24-hour security service, the security personnel on an 8-hour shift will make no less than four trips through the amusement park, along with maintaining vigilance at the two main gates. The cost of this service is approximately \$500 per day. Security costs for the years ended December 31, 2019 and 2018 were \$130,285 and \$165,516, respectively.

NOTE 9: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2019 through September 24, 2020, the date the financial statements were available to be issued. The following item occurred:

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have significant negative impact on the operating activities and the results of IDB. The occurrence and extent of such impact will depend on future developments including (i) the duration and the spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the overall economy, all of which are uncertain.

**The Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Schedule of Compensation, Benefits and Other Payments to Agency Head**

Mr. Alan Philipson, Board President, did not receive any compensation, benefits, or other payments for the year ended December 31, 2019.

See independent auditors' report.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
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 Industrial Development Board of the City of New Orleans, Louisiana, Inc. (IDB), which comprise the Statement of Financial Position as of December 31, 2019, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered IDB'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IDB's internal control. Accordingly, we do not express an opinion on the effectiveness of IDB'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 IDB'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. We did not identify any deficiencies in internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether IDB'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 IDB's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IDB's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

Metairie, Louisiana
September 24, 2020

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Schedule of Findings and Responses**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(es) identified?

yes no
 yes none noted

Noncompliance material to financial statements noted?

yes no

**Industrial Development Board of the
City of New Orleans, Louisiana, Inc.
Summary Schedule of Prior Audit Findings**

A. FINDINGS RELATED TO FINANCIAL STATEMENTS

2018-001 – Material Weakness – Internal Controls over Classification of Investments

Condition: For the year ended December 31, 2017, \$100,000 in certificates of deposit (investments) with maturities of greater than one year were classified as current on the statement of financial position. CRI considers this material weakness resolved in the current year and no longer an issue.

Status: Resolved.