

**INDUSTRIAL DEVELOPMENT BOARD OF THE  
CITY OF NEW ORLEANS, LOUISIANA, INC.**

**FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2018 and 2017**



**CRI** CARR  
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INGRAM

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

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**Report**



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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, 2018 and 2017, 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, 2018 and 2017, 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 June 12, 2019, 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.*

June 12, 2019



# Financial Statements

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

December 31, 2018 2017

**ASSETS**

**Current Assets**

Cash	\$	379,812		1,017,428
Certificates of deposit		1,113,214		1,370,442
Accrued interest receivable		3,163		2,740
Prepaid expenses		7,731		12,424

Total current assets		1,503,920		2,403,034
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**Non-Current Assets**

Certificates of deposit		1,256,886		100,000
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<b>Total assets</b>	<b>\$</b>	<b>2,760,806</b>		<b>\$ 2,503,034</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Deferred revenue	\$	6,500	\$	7,000
Accounts payable and accrued expenses		432		-

Total current liabilities		6,932		7,000
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<b>Net Assets Without Donor Restrictions</b>		<b>2,753,874</b>		<b>2,496,034</b>
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<b>Total liabilities and net assets</b>	<b>\$</b>	<b>2,760,806</b>		<b>\$ 2,503,034</b>
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*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>	<b>2018</b>	<b>2017</b>
	<i>Without Donor Restriction</i>	<i>Without Donor Restriction</i>
<b>Revenues</b>		
Annual administrative fees	\$ 438,569	\$ 393,158
Six Flags income	39,000	33,500
Closing costs	85,223	124,052
Interest income	31,782	17,841
Application fees	9,000	21,000
Other income	-	286
<b>Total revenues</b>	<b>603,574</b>	<b>589,837</b>
<b>Expenses</b>		
Six Flags program services	198,657	228,827
Other program services	45,502	41,338
Management and general	101,575	88,861
<b>Total expenses</b>	<b>345,734</b>	<b>359,026</b>
<b>Increase In Net Assets</b>	<b>257,840</b>	<b>230,811</b>
<b>Net Assets, Beginning of Year</b>	<b>2,496,034</b>	<b>2,265,223</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,753,874</b>	<b>\$ 2,496,034</b>

*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, 2018*

	<b>2018</b>				<b>2017</b>			
	<b>Six Flags Program</b>	<b>Other Program</b>	<b>Management and General</b>	<b>Total</b>	<b>Six Flags Program</b>	<b>Other Program</b>	<b>Management and General</b>	<b>Total</b>
Six Flags - Insurance	\$ 5,828	\$ -	\$ -	\$ 5,828	\$ 5,869	\$ -	\$ -	\$ 5,869
Six Flags - Legal	5,513	-	-	5,513	39,380	-	-	39,380
Six Flags - Maintenance	2,920	-	-	2,920	1,460	-	-	1,460
Six Flags - Marketing	-	-	-	-	2,335	-	-	2,335
Six Flags - Miscellaneous	2,181	-	-	2,181	-	-	-	-
Six Flags - Professional fees	-	-	-	-	1,250	-	-	1,250
Six Flags - Security	165,516	-	-	165,516	157,619	-	-	157,619
Payroll and related expenses	15,861	43,619	52,339	111,819	18,978	37,957	50,779	107,714
Professional fees	-	-	30,505	30,505	-	-	19,126	19,126
Rental expense	340	936	5,988	7,264	1,356	2,712	3,627	7,695
Office expense and supplies	-	-	2,512	2,512	-	-	4,079	4,079
Insurance	-	-	2,516	2,516	-	-	2,506	2,506
Website expense	-	-	2,400	2,400	-	-	2,400	2,400
Parking and Mileage	154	-	2,311	2,465	245	-	2,354	2,599
Travel and Meetings	-	-	1,258	1,258	-	-	1,485	1,485
Telephone and Internet	344	947	1,136	2,427	335	669	896	1,900
Repair and Maintenance	-	-	-	-	-	-	1,090	1,090
Postage and delivery	-	-	365	365	-	-	358	358
Miscellaneous	-	-	122	122	-	-	161	161
Advertising and Promotional	-	-	123	123	-	-	-	-
<b>Total</b>	<b>\$ 198,657</b>	<b>\$ 45,502</b>	<b>\$ 101,575</b>	<b>\$ 345,734</b>	<b>\$ 228,827</b>	<b>\$ 41,338</b>	<b>\$ 88,861</b>	<b>\$ 359,026</b>

*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>	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities:</b>		
Increase in net assets	\$ 257,840	\$ 230,811
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Interest earned on certificates of deposit	(15,041)	(8,643)
Change in accrued interest receivable	(423)	2,395
Change in prepaid expenses	4,693	(4,775)
Change in accounts payable and accrued expenses	432	(15,015)
Change increase in deferred revenues	(500)	(500)
<b>Net cash provided by operating activities</b>	<b>247,001</b>	<b>204,273</b>
<b>Cash Flows from Investing Activities:</b>		
Maturities of certificates of deposit	267,041	100,000
Purchases of certificates of deposit	(1,151,658)	-
<b>Net cash (used in) provided by investing activities</b>	<b>(884,617)</b>	<b>100,000</b>
<b>Net (Decrease) Increase in Cash</b>	<b>(637,616)</b>	<b>304,273</b>
<b>Cash, Beginning of Year</b>	<b>1,017,428</b>	<b>713,155</b>
<b>Cash, End of Year</b>	<b>\$ 379,812</b>	<b>\$ 1,017,428</b>

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

**NOTE 1 - NATURE 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 financial statements are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

***Basis of Presentation***

The financial statements of IDB have been prepared on the accrual basis of accounting. IDB reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Presentation (Continued)***

restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. IDB has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

All of IDB's net assets are classified as net assets without donor restriction; there were no net assets with donor restriction at December 31, 2018 and 2017.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Cash***

IDB considers all highly liquid debt instruments with original maturities at purchase of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2018 and 2017.

***Certificates of deposit***

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

***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.

***Revenue recognition***

Revenues are recognized when they are earned. The main sources of revenue are from annual administrative fees, which are fees collected on projects (with or without a bond issuance) that involve a PILOT, and closing costs, earned from the issuance of bonds for projects in the New Orleans area at 1/20 of 1% of Bond issuance.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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 \$6,500 and \$7,000 at December 31, 2018 and 2017, respectively.

***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 \$469 in 2018 and were entirely related to pens bought for marketing purposes. The entity incurred \$2,335 of advertising expenses in 2017 which were all related to marketing for movie companies to rent out Six Flags.

***New Accounting Pronouncement***

Effective January 1, 2018, IDB adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016- 14—*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restriction. A footnote on liquidity has also been added (Note 7). The accompanying information from the 2017 financial statements has been reclassified to conform to the 2018 presentation and disclosure requirements of ASU 2016-14.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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. For IDB, this ASU is effective for annual reporting periods ending after December 31, 2019. Early adoption with certain restrictions is permitted for nonpublic entities. IDB has elected not to early adopt ASU 2014-09 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 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 - 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, 2018 and 2017, IDB’s cash deposits exceeded the FDIC limits by \$9,923 and \$254,770, respectively. Certificates of deposit exceeded the FDIC limits by \$120,100 and \$12,787, 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 4 - 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.

**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

As the title to the Six Flags property is in IDB's name, the entity now 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 \$198,657 and \$228,827 for the years ended December 31, 2018 and 2017 respectively. Any expenses exceeding the lease income from the Six Flags property (see Note 6 below) must be budgeted from the operations of IDB.

**NOTE 6 - 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 \$39,000 and \$33,500, for the years ended December 31, 2018 and 2017, 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. Payment for this service is due upon receipt of monthly invoices. Unpaid invoices exceeding thirty days are subject to a 1.5% interest charge. The cost of this service is approximately \$500 per day. Security costs for the years ended December 31, 2018 and 2017 were \$165,516 and \$157,619, respectively.

**NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

IDB has \$1,746,189 of financial assets available within one year of the statement of financial position date consisting of cash of \$379,812, certificates of deposit of \$1,363,214, and accrued interest receivable of \$3,163. 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, approximately \$172,500. As part of its liquidity management, IDB invests cash in excess of daily requirements in various certificates of deposit.

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

**NOTE 8 – RESTATEMENT**

Subsequent to the issuance of the financial statements for the year ended December 31, 2017, IDB determined that a portion of the balance of certificates of deposit should have been classified as long term. Additionally, certain cash flows related to certificates of deposit should have been classified as interest earned rather than maturities within cash flows from investing activities. IDB determined that these transactions caused an overstatement of current assets and an understatement of non-current assets. The reclassifications within cash flows from investing activities did not cause a change in total cash flows from investing activities.

	December 31, 2017	Adjustment	December 31, 2017 (as restated)
<b>Statement of Financial Position</b>			
Current Assets			
Certificates of Deposit	1,470,442	(100,000)	1,370,442
Non-Current Assets			
Certificates of Deposit	-	100,000	100,000
<b>Statement of Cash Flows</b>			
Cash Flows from Investing Activities:			
Interest earned on certificates of deposit	-	(8,643)	(8,643)
Cash Flows from Investing Activities:			
Maturities of certificates of deposit	91,357	8,643	100,000

**NOTE 9 – SUBSEQUENT EVENTS**

In preparing these financial statements, IDB has evaluated events and transactions for potential recognition or disclosure through June 12, 2019, the date the financial statements were available to be issued and noted no items for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.





**Supplementary  
Information**





**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, 2018.

*See independent auditors' report.*



# **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 *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, 2018, 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 June 12, 2019.

**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 identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

## **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*.

## **IDB's Response to Findings**

IDB's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. IDB's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.*

June 12, 2019

**A. SUMMARY OF AUDITORS' RESULTS**

1. Type of independent auditors' report	Unmodified
2. Internal control over financial reporting	
a. Material weakness identified	Yes
b. Significant deficiencies not considered to be material weaknesses	No
c. Noncompliance material to the financial statements noted	No
3. Management letter	No

**B. 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 net position.

**Criteria:** FASB Codification 210-10-45, Balance Sheet, Other Presentation Matters

**Cause:** Management did not have policies and procedures in place to ensure that the portion of investments with maturities greater than one year were classified as non-current on the statement net position.

**Effect:** A material adjustment to the financial statement presentation to reclassify \$100,000 of investments to non-current.

**Auditors' Recommendation:** We recommend that investments with maturities greater than one year be classified as non-current assets in the statement of financial position. We recommend that management implement policies and procedures to ensure proper classification of current and non-current assets.

**Management's Response:** See corrective action plan on page 18.

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended December 31, 2018.

**D. MANAGEMENT LETTER**

There was no management letter issued for the year ended December 31, 2018.



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

**A. FINDINGS RELATED TO FINANCIAL STATEMENTS**

None noted.

**B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

None noted.

**C. MANAGEMENT LETTER**

None issued.



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



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

Corrective Action Plan  
June 12, 2019

Industrial Development Board of the City of New Orleans, LA, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2018.

**LaToya Cantrell**  
Mayor

**Board of Directors**  
**Officers**

**Alan H. Philipson**  
President

**Darrel J. Saizan, Jr.**  
Vice President

**Susan P. Good**  
Secretary/Treasurer

**Members**

Mindy Brickman

Troy A. Carter, Sr.

Walter C. Flower, III

Eugene J. Green, Jr.

Lesli D. Harris

Edith G. Jones

Julius E. Kimbrough, Jr.

Lisa S. Mazique

Theodore C. Sanders, III

Jeffrey Schwartz

C. David Thompson

Ian C. Tucker

Name and address of independent public accounting firm:  
Carr, Riggs & Ingram, LLC  
111 Veterans Blvd  
Suite350  
Metairie, LA 70005

Audit Period:

Fiscal Year January 1, 2018 through December 31, 2018

The finding from the June 12, 2019 Management Letter is discussed below. The finding is numbered consistently with the number assigned in the Management Letter.

**2018-001 – Internal Controls over Classification of Investments**

**Auditors' recommendation:** We recommend that certificates of deposit with maturities greater than one year be classified as non-current assets in the statement of financial position. We recommend that management implement policies and procedures to ensure proper classification of current and non-current assets.

**Management response:** We will implement policies and procedures to ensure that current and non-current assets are appropriately classified on the statement of financial position.

**Responsible Party:** Sharon Martin, Administrator

**Estimated Completion Date:** June 19, 2019

Respectfully,

Susan P. Good, Secretary-Treasurer

**Administrator**  
Sharon Martin