


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

FINANCIAL STATEMENTS

December 31, 2022 and 2021



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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 Audit of the Financial Statements

Opinion

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, 2022 and 2021, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDB as of December 31, 2022 and 2021, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IDB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 IDB's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IDB'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 IDB'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.

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 15 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 29, 2023, 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.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2023

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

<i>December 31,</i>	2022	2021
Assets		
Current assets		
Cash	\$ 1,076,627	\$ 944,523
Certificates of deposit	595,993	596,474
LAMP - cash equivalent	1,860,529	1,827,585
Prepaid expenses	8,499	7,862
Total current assets	3,541,648	3,376,444
Land	3,000,000	3,000,000
Total assets	\$ 6,541,648	\$ 6,376,444
 Liabilities and Net Assets		
Current liabilities		
Deferred revenue	\$ 3,500	\$ 21,300
Accounts payable and accrued expenses	194	-
Total current liabilities	3,694	21,300
Net assets without donor restrictions	6,537,954	6,355,144
Total liabilities and net assets	\$ 6,541,648	\$ 6,376,444

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

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

<i>For the years ended December 31,</i>	2022	2021
	<i>Without Donor Restrictions</i>	<i>Without Donor Restrictions</i>
Revenues		
Annual administrative fees	\$ 454,983	\$ 472,877
Six Flags income	43,700	39,278
Closing costs	34,010	-
Interest income	37,338	6,506
Application fees	9,000	6,000
Other income	146,811	5,084
Total revenues	725,842	529,745
Expenses		
Six Flags program services	249,556	198,783
Other program services	147,219	34,013
Management and general	146,257	137,724
Total expenses	543,032	370,520
Change in net assets	182,810	159,225
Net assets at beginning of year	6,355,144	6,195,919
Net assets at end of year	\$ 6,537,954	\$ 6,355,144

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

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

<i>For the years ended December 31,</i>	2022				2021			
	Six Flags Program	Other Program	Management and General	Total	Six Flags Program	Other Program	Management and General	Total
Six Flags - Insurance	\$ 6,201	\$ -	\$ -	\$ 6,201	\$ 6,340	\$ -	\$ -	\$ 6,340
Six Flags - Legal	12,893	-	-	12,893	6,773	-	-	6,773
Six Flags - Maintenance	7,480	-	-	7,480	2,500	-	-	2,500
Six Flags - Miscellaneous	2,500	-	-	2,500	63	-	-	63
Six Flags - Security	201,855	-	-	201,855	165,820	-	-	165,820
Payroll and related expenses	17,601	34,097	70,004	121,702	15,932	32,475	72,137	120,544
Professional fees	-	-	61,887	61,887	-	-	54,519	54,519
Rental expense	401	601	1,770	2,772	386	579	1,807	2,772
Office expense and supplies	-	-	1,818	1,818	-	-	1,160	1,160
Insurance	-	-	2,516	2,516	-	-	2,254	2,254
Website expense	11	15	48	74	334	500	1,565	2,399
Parking and mileage	300	-	2,551	2,851	329	-	2,337	2,666
Travel and meetings	-	-	2,578	2,578	-	-	-	-
Telephone and internet	314	471	1,386	2,171	306	459	1,432	2,197
Postage and delivery	-	-	410	410	-	-	388	388
Miscellaneous	-	-	1,064	1,064	-	-	125	125
Advertising and promotional	-	-	225	225	-	-	-	-
Incentive for local initiative	-	112,035	-	112,035	-	-	-	-
Total	\$ 249,556	\$ 147,219	\$ 146,257	\$ 543,032	\$ 198,783	\$ 34,013	\$ 137,724	\$ 370,520

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

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

<i>For the years ended December 31,</i>	2022	2021
Operating Activities		
Change in net assets	\$ 182,810	\$ 159,225
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Interest earned and reinvested on certificates of deposit and cash equivalents	(1,560)	(2,046)
Changes in operating assets and liabilities		
Accrued interest receivable	-	817
Prepaid expenses	(637)	556
Accounts payable and accrued expenses	194	(122,067)
Deferred revenue	(17,800)	2,050
Net cash provided by (used in) operating activities	163,007	38,535
Investing Activities		
Maturities of certificates of deposit	2,041	543,930
Net cash provided by (used in) investing activities	2,041	543,930
Net change in cash and cash equivalents	165,048	582,465
Cash and cash equivalents at beginning of year	2,772,108	2,189,643
Cash and cash equivalents at end of year	\$ 2,937,156	\$ 2,772,108
Reconciliation to the Statements of Financial Position		
Cash	\$ 1,076,627	\$ 944,523
Cash equivalent - LAMP	1,860,529	1,827,585
Total	\$ 2,937,156	\$ 2,772,108

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. During March 2023, IDB entered into a Cooperative Endeavor Agreement (CEA) with the New Orleans Redevelopment Authority (NORA) to transfer Six Flags to NORA. See Note 10 for additional information.

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. Estimates that are particularly susceptible to significant change in the near term are related to revenue earned and expected to be received.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

**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 are less than 12 months.

LAMP - Cash Equivalent

LAMP - cash equivalent consists of IDB's interest in a local government pooled investment program managed by the Louisiana Asset Management Pool (LAMP) held by a custodial bank. The investments in LAMP are stated at fair value based on quoted market rates.

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 \$3,500 and \$21,300 at December 31, 2022 and 2021, 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, \$6,537,954 in 2022 and \$6,355,144 in 2021, 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 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.

**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)

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. Income from fees and closing costs received in advance are deferred and recognized in the period to which they relate. These amounts are included in deferred revenue within the statements of financial position.

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.

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. IDB had no unrelated business income for the years ended December 31, 2022 and 2021.

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, 2022 and 2021, 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 2019.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2023. See Note 10 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Recent Accounting Pronouncements

In February 2016, the FASB issued guidance ASC 842, Leases to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. There was no impact as a result of adoption because IDB does not have any leases applicable to this standard.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

IDB has \$3,533,149 of financial assets available, as of December 31, 2022, within one year of the statement of financial position date consisting of cash of \$1,076,627, certificates of deposit of \$595,993, and LAMP balance of \$1,860,529. 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. 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 \$245,000. As part of its liquidity management, IDB invests cash in excess of daily requirements in various certificates of deposit and in LAMP.

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

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

IDB has \$3,368,582 of financial assets available, as of December 31, 2021, within one year of the statement of financial position date consisting of cash of \$944,523, certificates of deposit of \$596,474, and LAMP balance of \$1,827,585. 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.

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 and quasi-governmental agencies 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 and quasi-governmentals 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 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, 2022 and 2021, IDB had cash equivalents in LAMP totaling \$1,860,529 and \$1,827,585, respectively.

NOTE 5: CONCENTRATIONS OF CREDIT RISK

IDB maintains demand and time deposit accounts and certificates of deposit with financial institutions. At December 31, 2022 and 2021, IDB's cash deposits and certificates of deposit were in excess of federally insured limits by \$135,071 and \$4,148, respectively.

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

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. Expenses to maintain the property, which consist of security, maintenance, insurance, and legal amounted to \$249,556 and \$198,783 for the years ended December 31, 2022 and 2021 respectively. Any expenses exceeding the lease income from the Six Flags property (see Note 8 below) must be paid 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.

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 \$43,700 and \$39,278, for the years ended December 31, 2022 and 2021, 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, 2022 and 2021 were \$201,855 and \$165,820, respectively.

NOTE 9: OTHER INCOME

As part of the IDB's PILOT programs (as described in Note 7), various benchmarks need to be met by the developers in order to fully qualify for the PILOTs, which include economic development targets and Disadvantaged Business Enterprise (DBE) hiring. If these benchmarks cannot be attained, then developers will be assessed penalties by the IDB. These revenues will be included as other income on the IDB's statements of financial position. For the years ended December 31, 2022 and 2021, IDB had assessed penalties to its developers totaling \$146,643 and \$-, respectively. The full amount assessed was received prior to December 31, 2022.

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

NOTE 10: SUBSEQUENT EVENTS

As noted in Note 2, during March 2023, the IDB and NORA entered into a CEA to transfer title of Six Flags to NORA. In addition, the IDB agreed to pay \$254,200 for one year of maintenance expenses for the Six Flags property.

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

Mr. Darrel J. Saizan, Jr., Board President, did not receive any compensation, benefits, or other payments for the period from January 1, 2022 to December 31, 2022.

See independent auditors' 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, a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2022, 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 29, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 29, 2023

**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? None noted
- Significant deficiency(es) identified? None noted

Noncompliance material to financial statements noted? No

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None noted.

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

A. FINDINGS RELATED TO FINANCIAL STATEMENTS

2021-001 Material Weakness: Internal Control over Fixed Assets

Criteria: Accounting principles generally accepted in the United States (GAAP) requires an organization to record fixed assets it has title to at cost less applicable depreciation.

Condition: When the title to the Six Flags property was transferred to IDB, the organization did not record the land in its financial statements.

Cause: Controls were not effective over the addition of fixed assets for the organization, causing the transfer of the property to not be recorded.

Effect: The prior financial statement of the organization were understating net assets and fixed assets.

Auditors

Recommendation: The organization should design, implement, and monitor proper controls around the addition of fixed assets.

Resolution: Resolved. Management reviews fixed asset additions with its External Accountant.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

C. MANAGEMENT LETTER

None issued.