

**ALGIERS DEVELOPMENT DISTRICT
OF THE CITY OF NEW ORLEANS**
(A Component Unit of the City of New Orleans)

FINANCIAL REPORT
For the Year Ended December 31, 2016



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**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
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(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
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Report



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of Algiers Development District of the City of New Orleans (the District), a component unit of the City of New Orleans, as of and for the year ended December 31, 2016, and the related notes to financial statements, which comprise the District's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the District'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 the District's 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation paid to board members and the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

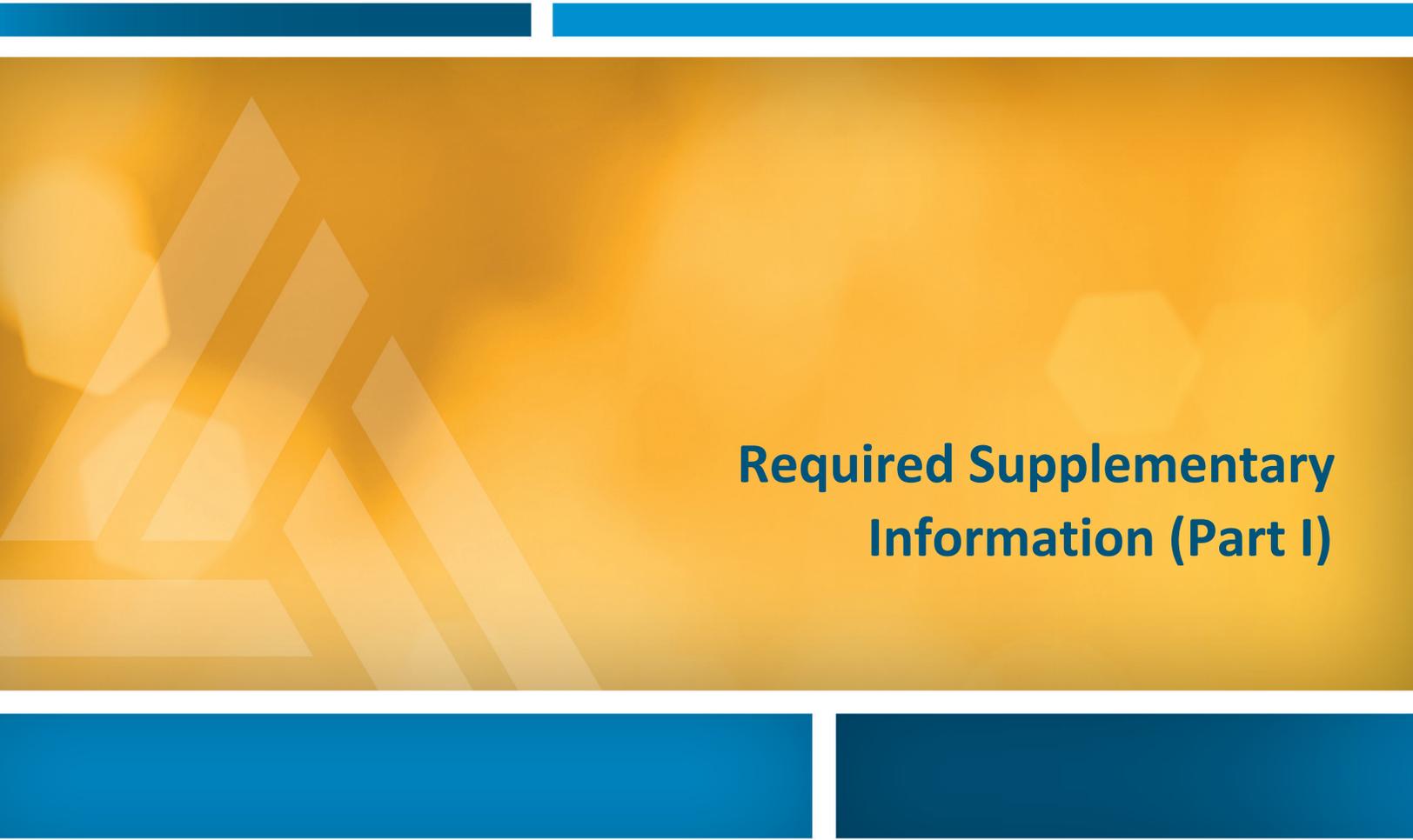
The schedule of compensation paid to board members and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to board members and the schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

June 26, 2017



**Required Supplementary
Information (Part I)**

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

The Algiers Development District of the City of New Orleans (the District) Management's Discussion and Analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, and identify changes in the District's financial position and its ability to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Codification and is intended to provide the financial results for the fiscal year ended December 31, 2016.

As indicated in the illustration, GASB Codification 2200 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenditures regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

Revenues to the District consist primarily of local and state sales tax collections as well as State of Louisiana Capital Outlay funds.

Expenses for the District consist primarily of expenses to support the Federal City project as well as administration expenses.

Fund Financial Statements

The fund financial statements' focus is on the District's major funds rather than fund types. The two account groups: General Capital Assets and General Long-Term Debt are not reported. Consistent with previous years, the fund financial statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW
ORLEANS (A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

The General Fund is the only fund of the District.

General Fund

The General Fund encompasses all revenues and expenditures of the District that are not accounted for in another fund.

Financial Highlights

Summary of 2016 Assets and Liabilities

Assets

As of December 31, 2016, the total assets of the District decreased by \$711,044. This is the direct result of a decrease in cash and cash equivalents of \$418,028 and a decrease in receivables of \$918,945. This decrease of \$1,336,973 is offset by an increase in capital assets by \$640,246, which is the result of renovations to the fitness center. The decrease in receivables is the result of amounts due from a state contract to perform renovations of the fitness center being received in the current year.

Capital Assets

Capital Assets consist of land valued at \$14,240,992, buildings valued at \$5,113,739, ramps and piers valued at \$1,026,509, and renovations to the fitness center with total costs to date of \$2,856,314. As stated above, the capital assets increased in value by \$809,150 as a result of continued renovations of the fitness center less current year's addition to accumulation depreciation of \$168,904.

Liabilities

As of December 31, 2016, the total liabilities of the District decrease by \$1,233,207. This is \$200,000 of principal payments being made on the bond debt and a decrease in accounts payables of \$1,033,207. The decreased payables are primarily attributed to amounts paid to the contractor in the current year for renovations performed on the fitness center in 2015.

Deferred inflows of \$178,500 represent amounts held by a third party for blight remediation.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW
ORLEANS (A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Net Position

As of December 31, 2016, total Net Position was \$23,350,165, which consisted of \$22,476,695 of Net Investment in Capital Assets and \$873,470 of Unrestricted Net Position.

Summary of 2016 Revenues

For the year ended December 31, 2016, total revenues decreased by \$1,409,741. This is the direct result of a \$1,509,119 decrease in capital outlay revenues. The decrease is the result of decreased capital outlay funding as the renovations to the fitness center was nearing completion. The renovations were completed in 2017. There was also an increase in miscellaneous revenues of \$110,867 which represents reimbursements of insurance and other costs paid by the District on behalf of an affiliate organization.

Summary of 2016 Program Expenditures

The District has the clear objective of economic development in Algiers and support of the Federal City Project. Expenditures totaled \$1,323,090 in satisfaction of its program requirements and administrative costs for the year. For the year ended December 31, 2016, expenditures decreased by \$918,624. Federal city expenses decreased by \$596,931 due to decreased costs related to the federal city project. In addition to the decreased Federal City expenses, the District made its final support payment to the third party organization that supported the parking garage on federal city property in the prior year, which totaled \$254,600. There was no such payment made in the current year.

General Fund Budgetary Highlights

For the year ended December 31, 2016, there were no significant unfavorable variances in the budget.

Economic Factors and Next Year's Budget

The District evaluated current year's operations and many other factors when establishing the budget for its general fund for the year ending December 31, 2017. Anticipated revenues are approximately \$1,342,000 while anticipated expenditures total \$1,342,000.



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Contacting the Algiers Development District of the City of New Orleans' Management

This financial report is designed to provide management, the City of New Orleans and the State of Louisiana, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ms. Kathy Lynn Honaker of the Algiers Development District at (504) 367-3331.



Financial Statements

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
STATEMENT OF NET POSITION**

As of December 31, **2016**

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,706,147
Sales tax revenue receivable	292,532
<hr/>	
Total Current Assets	2,998,679
<hr/>	
CAPITAL ASSETS, net	22,476,695
<hr/>	
OTHER ASSETS	
Deposit	210,970
<hr/>	
TOTAL ASSETS	25,686,344
<hr/>	
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	57,679
Bonds payable, current portion	200,000
<hr/>	
Total Current Liabilities	257,679
<hr/>	
LONG-TERM BONDS PAYABLE, net of current portion	1,900,000
<hr/>	
TOTAL LIABILITIES	2,157,679
<hr/>	
DEFERRED INFLOWS	
Deferred revenue	178,500
<hr/>	
NET POSITION	
Net investment in capital assets	22,476,695
Unrestricted	873,470
<hr/>	
TOTAL NET POSITION	\$ 23,350,165
<hr/>	

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

ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
STATEMENT OF ACTIVITIES

For the Year Ended December 31,

2016

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Assets
GOVERNMENTAL ACTIVITIES			
Economic development	\$ 610,419	\$ 538,045	\$ (72,374)
General and administrative	251,185	-	(251,185)
Other program costs	364,699	-	(364,699)
Interest expense	96,787	-	(96,787)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,323,090	\$ 538,045	(785,045)
GENERAL REVENUES AND SPECIAL ITEMS			
General Revenues			
Sales tax for economic development			1,010,675
Miscellaneous			287,573
Interest income			8,960
TOTAL GENERAL REVENUES AND SPECIAL ITEMS			1,307,208
CHANGE IN NET POSITION			522,163
NET POSITION - Beginning of year			22,828,002
NET POSITION - End of year			\$ 23,350,165

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

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
BALANCE SHEET - GOVERNMENTAL FUNDS**

As of December 31, **2016**

		General Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	2,706,147
Sales tax revenue receivable		292,532
Total Current Assets		2,998,679
OTHER ASSETS		
Deposit		210,970
TOTAL ASSETS		\$ 3,209,649
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$	57,679
Unavailable revenue		178,500
Total Liabilities		236,179
FUND BALANCES		
Committed		1,000,000
Unassigned		1,973,470
Total Fund Balances		2,973,470
TOTAL LIABILITIES AND FUND BALANCES		\$ 3,209,649

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

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION**

<i>As of December 31,</i>	2016
FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,973,470
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Governmental capital assets	22,476,695
<p>Debt used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Debt related to bond issuance	(2,100,000)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 23,350,165

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

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended December 31,

2016

	General Fund
REVENUES	
Sales tax for economic development	\$ 1,010,675
Grants and contracts	538,045
Miscellaneous income	287,573
Interest income	8,960
<hr/>	
Total Revenues	1,845,253
<hr/>	
EXPENDITURES	
Economic development projects	441,515
General and administrative	251,185
Other program costs	364,699
Capital outlay	809,150
Bond principal payments	200,000
Bond interest and fiscal charges	96,787
<hr/>	
Total Expenditures	2,163,336
<hr/>	
DEFICIENCY OF REVENUES OVER EXPENDITURES	(318,083)
<hr/>	
FUND BALANCES – Beginning of year	3,291,553
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FUND BALANCES – End of year	\$ 2,973,470

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

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO
STATEMENT OF ACTIVITIES**

For the Year Ended December 31,

2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(318,083)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

640,246

Governmental funds report the principal portion of debt as expenditures. In the statement of activities, the principal portion of the debt payment reduces the debt.

200,000

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	522,163
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The accompanying notes are an integral part of these financial statements.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Algiers Development District of the City of New Orleans (the District), a component unit of the City of New Orleans, is a special taxing district created by legislation embodied in Louisiana Revised Statute (R.S.) 33:2740.27, as amended, and effective June 1, 2009. The Council of the City of New Orleans has power and control over and is responsible for the functions and administration of the District. The special taxing district is comprised of all territories within the fifteenth ward of Orleans Parish, State of Louisiana. The District is capable of levying ad valorem taxes on real estate in the District in conjunction with planning, developing, constructing or acquiring services, improvements or facilities within the District proper, subject to approval by the City Council of New Orleans. The District has been designated as a local redevelopment authority for the federal military base realignment purposes and has been authorized to incur debt, including revenue bonds, from revenue sources for its enumerated purposes.

The Reporting Entity

Governmental accounting standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. A component unit is a government who is financially accountable to another government or one for which another government can exert influence over its budget and operations. The District is considered to be a component unit of the City of New Orleans. The District does not have any component units.

Basic Financial Statements – Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. There were no activities of the District categorized as business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are ordered into three major categories: governmental, proprietary, and fiduciary, which are grouped by fund type in the financial statements. Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The general fund, the main operating fund of the District, is used to account for all remaining financial resources.

Equity Classifications

In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- a. *Net Investment in Capital Assets* – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. *Restricted* – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- c. *Unrestricted* – All other net position is reported in this category.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The District adopted GASB Codification Sections 1300 *Fund Accounting* and 1800 *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – consists of amounts with constraints either by third-parties (bond creditors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used for the specific purposes stipulated in the legislation.
- *Committed* – consists of the amounts used for specific purposes pursuant to constraints imposed by formal action of the District’s Board. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- *Assigned* – consists of amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources (committed, assigned and unassigned) are available for use.

The District did not have any nonspendable, restricted, or assigned amounts as of December 31, 2016.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Use of Estimates

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Management believes all cash and cash equivalents are reported at fair value.

Sales Tax Revenue Receivable

All receivables are booked at actual amounts. The District believed that all receivables were collectible at December 31, 2016, thus, no allowance for doubtful receivables is reported in the financial statements. Management believes sales tax revenue receivable is reported at fair value.

Capital Assets

Capital assets are reported in the government-wide financial statements, and are capitalized at historical cost. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets of the governmental funds are recorded as expenditures at the time they are purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District capitalizes assets with a value over \$1,000 and a useful life greater than one year. Buildings are depreciated over an estimated useful life of 40 years. Ramps and piers are depreciated over an estimated useful life of 25 years.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due and paid.

Program Revenues

Program revenues consisted of grant and contract revenue earned during the year. Amounts reported as program revenues include YMCA revenues from the State of Louisiana.

Expenditures

On an accrual basis of accounting, expenditures are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources/expenditures rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budget and Budgetary Accounting

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The District then legally adopts the budget, which is then approved by the City Council of New Orleans. Budgeted amounts for the General Fund included in the accompanying statements are as amended by the District for the year ended December 31, 2016.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by the United States.

Deposits held in non-interest-bearing accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to \$250,000 by the Federal Deposit Insurance Corporation. As of December 31, 2016, the District had cash and cash equivalents in interest-bearing accounts at local financial institutions totaling \$749,160 which exceeded the FDIC insurance by \$499,160. The District did have adequate pledged securities as of December 31, 2016 as required by LA R.S. 39:1225.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CASH – LAMP INVESTMENTS

Cash – LAMP Investments of \$1,957,366, which are stated at market using published market quotes at December 31, 2016, consisted of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAA by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

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. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

NOTE 4 - DEPOSIT/MEMORANDUM OF UNDERSTANDING/DEFERRED REVENUE

In a prior year, the District received state funds to expropriate blighted property in their service area. The District then entered into a memorandum of understanding with the New Orleans Redevelopment Authority (NORA) in 2012 to attempt to expropriate blighted properties identified by the District. In accordance with the agreement, the District was required to place on deposit with NORA the total appraised value of the property to be expropriated. The deposited funds will be utilized to cover certain appraisal and legal costs as well as amounts required to compensate the owner of the blighted property. If NORA is unsuccessful in purchasing the property in order to bring the property up to code, then the funds will be returned to the District less any fees incurred to be used on other blighted property located in Algiers. The total amount on deposit with NORA at December 31, 2016 was \$178,500 and is included in deposit on the statement of net position. As there is not currently a specific piece of blighted property selected for remediation, this amount is also recorded as deferred revenue in the statement of net position as it is not earned until used for its specific purpose.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - CAPITAL ASSETS

As of December 31, 2016, the District's capital assets consist of land valued at \$419,500 that was purchased by the Board of Commissioners, in prior years, for future economic development. The remaining capital assets relate to the transfer of Federal City land to the District in 2013 from the Department of the Navy and New Orleans Federal Alliance. The transferred land, purchased land, and depreciable property for Federal City had an estimated value of \$21,946,698 as of December 31, 2016.

Capital assets and depreciation activity as of and for the year ended December 31, 2016 for the primary government are as follows:

	January 1, 2016	Additions	Deletions	December 31, 2016
Non-depreciable assets				
Land	\$ 14,240,992	\$ -	\$ -	\$ 14,240,992
Construction in progress	2,047,164	809,150	-	2,856,314
Total non-depreciable assets	16,288,156	809,150	-	17,097,306
Depreciable assets				
Buildings and improvements	5,113,739	-	-	5,113,739
Ramps and piers	1,026,509	-	-	1,026,509
Accumulated depreciation	(591,955)	(168,904)	-	(760,859)
Total depreciable assets	5,548,293	(168,904)	-	5,379,389
Total Capital Assets	\$ 21,836,449	\$ 640,246	\$ -	\$ 22,476,695

NOTE 6 - BOND PAYABLE

On August 1, 2012, the District entered into an agreement for the private placement with a local bank. The agreement called for quarterly payments of \$50,000 plus interest from October 2012 through July 2022 and a final payment of \$1,000,000 plus interest in August 2022. The bond carries an interest rate of 4.35%. This debt relates to the development and construction of a walking and bicycle path located on the levee of the Mississippi River in the Algiers area of Orleans Parish. As the land that will contain the walking and bicycle path is not owned by the District, the resulting capital assets of this project are not recorded in the financial statements of the District. The agreement states that the District will make required bond principal and interest payments using sales taxes received for economic development.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - BOND PAYABLE (CONTINUED)

The beginning principal balance of the debt was \$2,900,000, interest payments for the year ended December 31, 2016 totaled \$96,787, and the principal balance as of December 31, 2016 is \$2,100,000. The District is required to make principal payments of \$200,000 for each of the next five years.

The following is the schedule of future minimum payments based on the debt amortization schedule as of December 31, 2016:

	Principal	Interest	Total
2017	\$ 200,000	\$ 88,088	\$ 288,088
2018	200,000	79,388	279,388
2019	200,000	70,688	270,688
2020	200,000	61,988	261,988
2021-2022	1,300,000	80,294	1,380,294

NOTE 7 - COOPERATIVE ENDEAVOR AGREEMENTS

The District receives funds from a Cooperative Endeavor Agreement entered into with the City of New Orleans and the District, created by the New Orleans City Council authorized by R.S. 33:9038.1 et seq. receiving incremental state and city sales taxes from the Tax Increment Financing District (TIF), created pursuant to City of New Orleans Ordinance No. 24.920 M.C.S. According to the terms of the Cooperative Endeavor Agreement, on an accrual basis, the District shall receive the lesser of the incremental funds from the TIF or \$1,000,000. The receipt of these funds is conditioned on the District receiving matching funds from the State of Louisiana pursuant to an agreement between the District and the State of Louisiana. TIF consists of sales tax generated from the Wal-Mart store and other parcel businesses located on Behrman Highway in Algiers. 1¼ cents of each of the city and state sales tax revenue is received by the District from the Cooperative Endeavor Agreement and the state match.

The use of the TIF is limited to a period of forty-two years as amended by the City Council and approved by the mayor on June 1, 2009 in accordance with City Ordinance No. 24.920. The District received \$507,877 from the City of New Orleans and \$502,798 from the State of Louisiana for the year ended December 31, 2016, of which \$147,001 and \$145,531 were due from the City of New Orleans and the State of Louisiana, respectively.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - COOPERATIVE ENDEAVOR AGREEMENTS (CONTINUED)

In 2010, the District entered into a Cooperative Endeavor Agreement (CEA) with the YMCA of Greater New Orleans. The YMCA had been requested by the District to undertake the CEA in order to make it economically feasible for the District to pay for the total cost of building a new YMCA. The District had previously entered into a CEA with the State of Louisiana to complete FP&C Project No. 50-NIL-07B-01 which included the construction of the new Westbank YMCA. By entering into the CEA with the YMCA, the District's obligation to pay for the YMCA's project costs is strictly limited to the receipt of project funds from the State of Louisiana as part of its capital outlay process. For the year ended December 31, 2016 the District received \$538,045 from this CEA.

NOTE 8 - NET POSITION COMMITMENTS

The committed fund balances of \$1,000,000 on the balance sheet – governmental funds represents and amount committed by formal action of the Board to be used for emergencies. The amount requires a vote of the full Board for funds to be used.

NOTE 9 - ECONOMIC DEPENDENCY

The District receives the majority of its operating revenue from funds provided through the TIF district pursuant to its Cooperative Endeavor Agreement (CEA) with the City of New Orleans. The terms of the CEA agreement expire with the expiration of the dedicated sales tax revenues to the TIF. The expiration of the TIF shall cause a significant reduction of revenue to the District with a resulting adverse impact on its operations.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

As of December 31, 2016 the District was involved in litigation with Vista Louisiana, LLC. The litigation is still in the discovery phases and management does not believe that there will be a negative effect to the financial statements of the District as a result of this litigation.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2017 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**Required Supplementary
Information (Part II)**

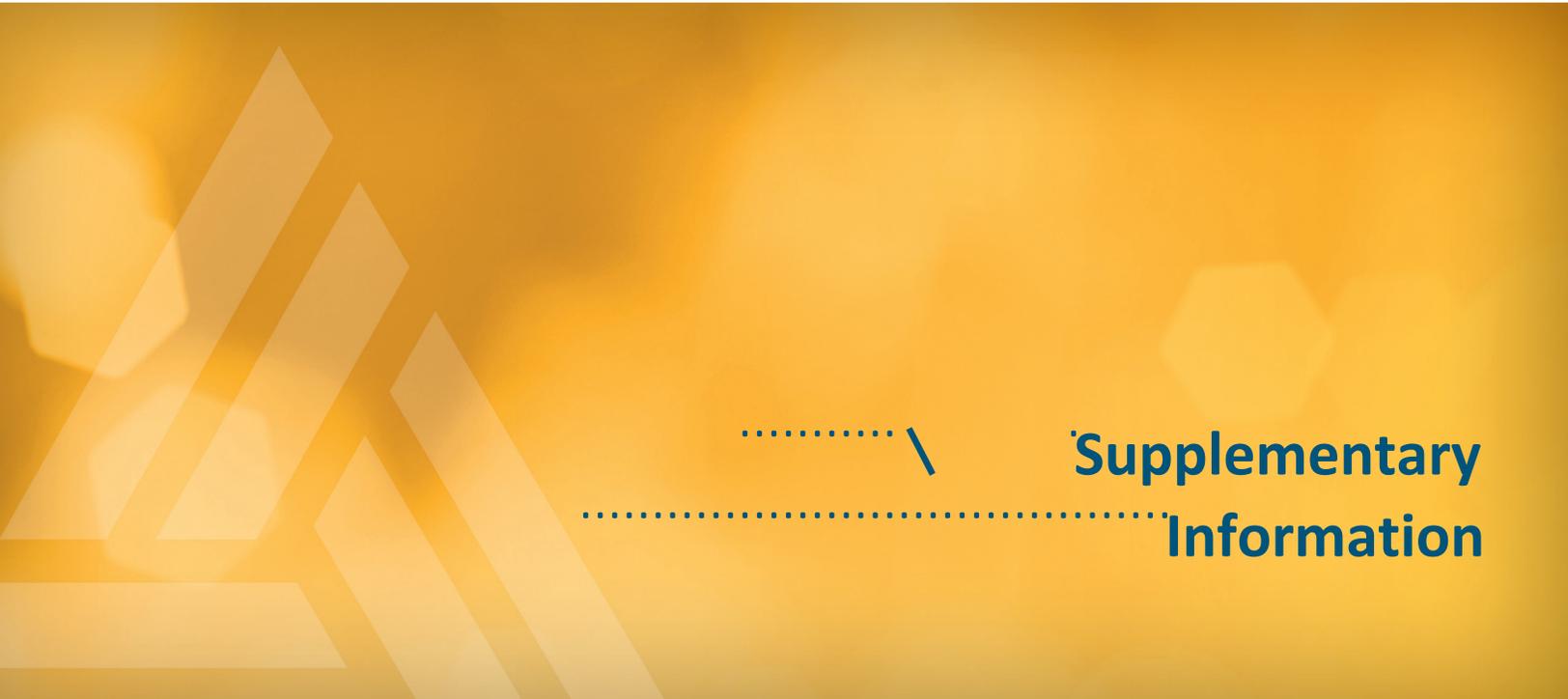
**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GENERAL FUND - BUDGET TO ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31,

2016

	Original Budget	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Sales tax for economic development	\$ 510,000	\$ 1,010,000	\$ 1,010,675	\$ 675
Economic development	500,000	500,000	538,045	38,045
Miscellaneous income	100,000	325,000	287,573	(37,427)
Interest income	500	10,500	8,960	(1,540)
Total Revenues	1,110,500	1,845,500	1,845,253	(247)
EXPENDITURES				
Economic development	640,000	641,000	441,515	199,485
Capital outlay	-	700,000	809,150	(109,150)
General and administrative	439,000	305,500	251,185	54,315
Other program costs	115,000	170,000	364,699	(194,699)
Bond principal payments	225,000	200,000	200,000	-
Bond interest and fiscal charges	100,000	100,000	96,787	3,213
Total Expenditures	1,519,000	2,116,500	2,163,336	(46,836)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (408,500)	\$ (271,000)	\$ (318,083)	\$ 46,589

See independent auditors' report.



**Supplementary
Information**



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF GOVERNING BOARD COMPENSATION**

For the Year Ended December 31, **2016**

Board Member	Amount
Senator Troy A. Carter (Chairman) P.O. Box 50730 New Orleans, LA 70150	\$ -0-
Mark Major (Secretary) 80 Pinehurst Dr. New Orleans, LA 70131	-0-
James Henderson, Jr. (Treasurer) 2930 Hudson Street New Orleans, LA 70131	-0-
Representative Gary M. Carter, Jr. 3520 Gen. DeGaulle Dr., Suite 3071 New Orleans, LA 70114	-0-
Senator Jean-Paul "JP" Morrell 6001 Stars and Stripes Blvd. Suite 221 New Orleans, LA 70126	-0-
Paul A. Collins 3813 Lennox Boulevard New Orleans, LA 70131	-0-
Joe Tommy 330 Morgan Street Suite 603 New Orleans, LA 70114	-0-

See independent auditors' report.

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**

For the Year Ended December 31,

2016

Agency Head Name: Senator Troy A. Carter, Chairman

PURPOSE	Amount
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica & Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ -

* Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees be reported as a supplemental report within the financial statement of local governmental and quasi-public auditees. In 2015 Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report. Senator Troy A. Carter did not receive any public funds in the current fiscal year.

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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Algiers Development District of the City of New Orleans, a component unit of the City of New Orleans, (the District) as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District'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 the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Cam, Riggs & Ingram, L.L.C.

June 26, 2017

**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

We have audited the basic financial statements of Algiers Development District as of and for the year ended December 31, 2016. 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 audit of the financial statements as of December 31, 2016 resulted in an unmodified opinion.

SECTION I – SUMMARY OF AUDITORS’ REPORT

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses Yes No

Significant Deficiencies Yes No

b. Compliance:

Compliance Material to Financial Statements Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted

SECTION III - COMPLIANCE FINDINGS

2016-01 – Failure to Comply with Louisiana Ethics Law

Criteria: The District should have a system in place to monitor board and employee compliance with **Louisiana Revised Statute 42:1101-1124 [Code of Ethics]**. Per LA RS 42:1101-1124, each employee, board member and / or elected official of the agency (public servant) must receive the annual ethics training as required.

Condition: Some Board members and all contract employees did not complete the required annual ethics training before year-end.

Effect: The District is not in compliance with State law.

Cause: Some Board members and all contract employees did not complete the required annual ethics training before year-end.



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Auditors' recommendation: The District should verify that all Board members and contract employees are compliant with the State Ethics policy by reading the District's ethics policy and receiving the annual ethics training.

Status and Planned Corrective Action: Resolved. All Board members and eligible employees are working on reading the District's documented ethics policy and will obtain the required ethics training for the 2017 fiscal year.



**ALGIERS DEVELOPMENT DISTRICT OF THE CITY OF NEW ORLEANS
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - COMPLIANCE FINDINGS

None noted.