

**DOWNTOWN DEVELOPMENT DISTRICT
BOARD OF COMMISSIONERS
FINANCE COMMITTEE SPECIAL MEETING MINUTES**

**Friday, December 30, 2022
3:00 p.m. – 3:52 p.m.**

DDD Ronald Gardner Board Room

Members Present: Chair Chris Ross, Leann Moses

Members Absent: Commissioner Carla Major

Other Board Members Present: Board Chair Gregory Curtis

Staff/Counsel Present: Davon Barbour, Anthony Carter, Stuart Taylor, Brittany Carnes-Stone Pigman

Others Present: Luther Speight, CPA, Wade Carter, CPA

Notice: The time, location, and agenda had been adequately and publicly noticed.

Public Input Card: N/A

Public Comments: N/A

Action Items

- Acceptance of 2021 Audit Report - **Action Item**

Mr. Anthony Carter introduced Mr. Speight and Mr. Wade Carter as the representatives of Luther Speight & Associates who performed the 2021 Audit.

Mr. Speight gave an overview of the audit process and the responsibilities of the Auditor and the DDD Management in the process. He explained that the 2021 Audit was being submitted six months after the original June 30, 2022 deadline, due to issues in obtaining complete and accurate information regarding ad valorem tax billing, receipts and receivables from the City of New Orleans. He indicated that the required information was received in mid-December, despite an original request in early 2022. Mr. Speight indicated that once the information was received, his staff realized that the information upon which the 2020 ad valorem tax receipts and receivables was based did not contain detailed information necessary to establish the correct receivables. Subsequently, it was necessary that a substantial prior period adjustment be made to the financials of the DDD. Mr. Speight explained that because of adjustments or credits to tax billings from prior periods, necessitated by COVID-19 pandemic and its effect on property values the DDD has a liability for overpaid tax payments. Chair Ross and Commissioner Moses inquired as to whether this

meant that the DDD was being expected to pay funds to the City or if future payments would be affected. Mr. Speight and Director of Finance explained that the adjustment would not affect our current cash on hand as the payments had already been made to the DDD, future payments from the City would be reduced to pay the liability to the City. The Committee members then inquired regarding the DDD's ability to rely on the accuracy of the information received from the City. Mr. A. Carter explained that this has been an ongoing issue from prior to his arrival. He pointed out to the members that he had often spoken about the lack of detail reporting from the City. While the DDD is able to obtain assessment information by tax bill from the Assessor's office, we have not been able to acquire the same level of detail from the City regarding billing or payment information. CEO Barbour indicated that he would work with the City in resolving this issue.

The auditors provided an unmodified opinion on the financial statements, finding that they presented fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2021.

In the Independent Auditor's Report on Internal Control, the auditor did identify a significant deficiency that was not a material weakness. In the opinion of the auditor, it was determined that the District did not perform adequate due diligence regarding the depository arrangements for the \$5,000,000 placed with the escrow agent for stormwater improvements. After some discussion, it was agreed that management would immediately begin the process of transferring the funds to a financial institution that is able to meet the compliance requirements of state statutes.

In addition to performing the financial audit the auditors did perform certain state mandated "Agreed Upon Procedures" on control and compliance areas. The DDD performed well in all areas, except it was found that the DDD lacked Sexual Harassment Training. Management only became aware of the new requirements near the end of the audit engagement and has committed to assuring compliance with the reporting and training going forth.

Chair Ross requested motion to accept 2021 Audit Report; moved by Commissioner Moses and seconded by Commissioner Ross. Motion carried

Old Business: N/A

New Business: N/A

Executive Session: N/A

Adjournment:

Commissioner Moses motioned to adjourn seconded by Commissioner Ross. Motion carried

Meeting adjourned at 3:52 pm.