

FRENCH QUARTER MANAGEMENT DISTRICT

NEW ORLEANS, LOUISIANA

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2025



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
French Quarter Management District
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the French Quarter Management District (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the French Quarter Management District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Board of Commissioners
French Quarter Management District
June 23, 2026

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 opinions. 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 the District'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 the District'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.

To the Board of Commissioners
French Quarter Management District
June 23, 2026

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures, and changes in fund balance - budget to actual be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 our 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session, and is not a required part of the basic 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 basic financial statements. The 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, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Board of Commissioners
French Quarter Management District
June 23, 2026

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026 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 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance *Government Auditing Standards* in considering the French Quarter Management District's internal control over financial reporting and compliance.

June 23, 2026
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

**FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025**

This section of the French Quarter Management District's (the District) annual financial report presents management's analysis of the District's financial performance for the year ended December 31, 2025. This analysis should be read in conjunction with the audited financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position decreased by \$1,905,195.
- The program revenues of the District were \$984,804 and general revenues were \$1,307,684.
- The total expenditures/expenses and other financing uses of the District were \$4,197,683.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management's Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 9 and 10 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

The District uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 11 – 14 of this report.

Fiduciary funds are reported in a separate Statement of Fiduciary Net Position. Activities from fiduciary funds are not included in the government-wide financial statements because District cannot use these assets for its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements are presented on pages 15 – 16 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

The following presents condensed financial information of the District:

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2025 AND 2024

	<u>ASSETS</u>	December 31, 2025	December 31, 2024
Current assets		\$ 1,865,441	\$ 3,733,129
	<u>LIABILITIES</u>		
Current liabilities		129,347	91,840
	<u>NET POSITION</u>		
Restricted for Upper Quarter Patrol		-	258,974
Unrestricted		1,736,094	3,382,315
Total net position		\$ 1,736,094	\$ 3,641,289

**FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025**

Total assets decreased by \$1,867,688 (50%) due to a decrease in receipts and receivables from the District's agreements with other governments as further described in Note 3 to the financial statements. Total liabilities increased by \$37,507 (41%) primarily due to increase in payables for public safety. Net position decreased by \$1,905,195 as a result of operations.

**SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
General government revenues	\$ 442,833	\$ 113,937
Public safety revenues	541,971	3,094,873
General revenues	1,307,684	2,177,623
General government expenses	(464,423)	(376,109)
Public safety expenses	(3,516,020)	(1,852,870)
Recycling and beautification expenses	<u>(217,240)</u>	<u>(188,149)</u>
Changes in net position	(1,905,195)	2,969,305
Beginning net position	<u>3,641,289</u>	<u>671,984</u>
Ending net position	<u>\$ 1,736,094</u>	<u>\$ 3,641,289</u>

The change in net position was a \$1,905,195 loss which was a decrease of \$4,874,500 from the prior year change in net position of \$2,969,305 primarily due to program revenues and appropriations received in 2024 which were expended in 2025.

BUDGET ANALYSIS

A comparison of budget to actual operations is required information and is presented in the accompanying financial statements. The original budget adopted by the District was amended during the fiscal year. The final amended budget had a favorable variance from the actual amounts reported primarily due to the District decreasing its public safety expenditures by more than budgeted.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

In 2025, the District continued agreements which secured funding for some of its most important programs. The District expects to continue to be funded under these agreements. The District expects to receive a \$1.25 million appropriation from the state of Louisiana to pay for public safety and quality of life programming. With the funding, the District hopes to continue its mission of helping residential and business communities to work together to protect, preserve, and maintain the world famous French Quarter as a safe, clean, vibrant, and friendly neighborhood for residents, businesses, and visitors.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

CONTACTING THE DISTRICT'S MANAGEMENT

This report is designed to provide a general overview of the District and to demonstrate the District's accountability for its finances. If you have any questions about this report or need additional information, please contact Michelle Courseault, Executive Director, 400 North Peters Street, Suite 206, New Orleans, Louisiana 70130.

BASIC FINANCIAL STATEMENTS

FRENCH QUARTER MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS:

Cash and cash equivalents	\$ 449,180
Appropriation receivables	1,250,000
Grant receivables	127,853
Prepaid expenses	<u>38,408</u>

Total assets	<u>1,865,441</u>
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LIABILITIES:

Accounts payable	78,550
Due to custodial fund	<u>50,797</u>

Total liabilities	<u>129,347</u>
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NET POSITION:

Unrestricted	<u>1,736,094</u>
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Total net position	<u><u>\$ 1,736,094</u></u>
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The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Function/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<u>Governmental activities:</u>				
General government	\$ 464,423	\$ -	\$ 442,833	\$ (21,590)
Public safety	3,516,020	287,080	254,891	(2,974,049)
Recycling and beautification	<u>217,240</u>	<u>-</u>	<u>-</u>	<u>(217,240)</u>
Total governmental activities	<u>\$ 4,197,683</u>	<u>\$ 287,080</u>	<u>\$ 697,724</u>	<u>(3,212,879)</u>
General revenues:				
		State appropriations		1,250,000
		Interest income		57,184
		General contributions		<u>500</u>
		Total general revenues		<u>1,307,684</u>
		Change in net position		(1,905,195)
		Net position - beginning		<u>3,641,289</u>
		Net position - ending		\$ 1,736,094

The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2025

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 449,180
Contract receivables	1,377,853
Prepaid expenses	<u>38,408</u>
 Total assets	 <u><u>\$ 1,865,441</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES:</u>	
Accounts payable	\$ 78,550
Due to custodial fund	<u>50,797</u>
 Total liabilities	 <u>129,347</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable revenue	<u>1,250,000</u>
<u>FUND BALANCE:</u>	
Nonspendable - prepaid expenses	38,408
Unassigned	<u>447,686</u>
 Total fund balance	 <u>486,094</u>
 Total liabilities and fund balance	 <u><u>\$ 1,865,441</u></u>

The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Fund balance - total governmental fund	\$	486,094
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Amounts reported for governmental activities in the Statement of Net
 Position are different because:

Certain reimbursements are not available to pay for current-period expenditures
 and therefore are reported as deferred inflows of resources in the governmental
 funds.

		<u>1,250,000</u>
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Net position of governmental activities	\$	<u>1,736,094</u>
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The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

REVENUES:

Contract revenues	\$ 364,572
Grant revenues	333,652
Admin fees	287,080
Interest income	<u>57,184</u>

Total revenues	<u>1,042,488</u>
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EXPENDITURES:

Current for general government:

Salaries and benefits	206,848
Insurance	32,246
Professional services	95,209
Office expenses	42,026
Rental of office space	19,200
Other	<u>85,874</u>

Total current general government expenditures	<u>481,403</u>
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Current for public safety:

Police patrols	1,429,745
Security dispatching and administration	179,304
Gas, supplies, maintenance and repairs	35,152
Street repairs	<u>1,854,839</u>

Total current public safety expenditures	<u>3,499,040</u>
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Current for recycling and beautification:

Trash and recycling contracts	<u>217,240</u>
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Total current recycling and beautification	<u>217,240</u>
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Total current expenditures	<u>4,197,683</u>
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Net change in fund balance	(3,155,195)
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Fund balance - beginning	<u>3,641,289</u>
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Fund balance - ending	<u>\$ 486,094</u>
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The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balance - total governmental fund	\$	(3,155,195)
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Certain reimbursements are not available to pay for current-period expenditures
and therefore are reported as deferred inflows of resources in the governmental
funds.

		<u>1,250,000</u>
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Change in net position of governmental activities	\$	<u>(1,905,195)</u>
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The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

ASSETS:

Due from general fund	\$ 50,797
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Total assets	<u>50,797</u>
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NET POSITION:

Restricted for other organizations	<u>50,797</u>
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Total net position	<u>\$ 50,797</u>
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The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2025

ADDITIONS:

Donations	\$ 18,630
Membership fees	8,000
Reimbursements	<u>1,536</u>
Total additions	<u>28,166</u>

DEDUCTIONS:

Repairs and maintenance	8,247
Office supplies	91
Website expenses	367
Marketing expenses	<u>9,101</u>
Total deductions	<u>17,806</u>

Net change	10,360
Fiduciary net position, beginning	<u>40,437</u>
Fiduciary net position, ending	<u>\$ 50,797</u>

The accompanying notes are an integral part of this statement

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Act 280 of 2007, as amended and reenacted by Act 782 of 2008 and Act 304 of 2011, of the State of Louisiana Legislature created the French Quarter Management District (the District). Pursuant to Louisiana Revised Statute 25:799, the District is created to provide the following functions:

- (1) Enhancing public safety and sanitation within the District by financing supplemental safety and sanitation services.
- (2) Providing supplemental resources for the enforcement of laws and regulations that relate to the quality of life for tourists, residents, and businesses within the District.
- (3) Engaging in strategic planning, business and commercial development activities, administering capital improvement funds, and administering programs.
- (4) Taking action to enhance commercial, civic, and cultural activity.
- (5) Promote and aid in the conservation and preservation of the District's quaint historic nature, character, qualities, and architecture.
- (6) Foster quality events and quality of life in the District.
- (7) Restore regional character to the District, attract locals and tourists to visit, facilitate and promote the development and improvement of public infrastructure, and encourage new residents to live in the District.

The District is comprised of the area of the city of New Orleans lying within the following boundaries: the Mississippi River, the center line of Canal Street, the rear property line of the properties fronting on the lake side of North Rampart Street, the rear property line of the properties fronting on the downriver side of Esplanade Avenue to the Mississippi River. The District shall consist of four Subdistricts: the Vieux Carre, the Iberville Corridor, the Treme, and the Faubourg Marigny.

Pursuant to Louisiana Revised Statute 25:799, the District shall be governed by a Board of Commissioners consisting of thirteen members. The District shall continue in existence until June 30, 2028, unless such date is extended by law.

Basis of Presentation

Governmental Accounting Standards Board (GASB) indicates the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria: a) has a separately elected governing body, b) is legally separate, and c) is fiscally independent of other state and local governments.

**FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The District is a separate legal entity with a governing body which is separate and independent of any other government “reporting entity,” as defined by GASB. However, the District is dependent primarily on donations and appropriations to conduct its business.

The District’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major fund). Both the government-wide and fund financial statements categorize primary activities as governmental type. The District’s program activities and related general administrative services are classified as governmental activities. The District does not have any business-type activities.

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

In the government-wide Statement of Net Position (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the District’s function. The function is supported by program revenues which include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

This government-wide focus is on the sustainability of the District as an entity and the change in the District’s net position resulting from current year’s activities.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (FFS)

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflow of resources, liabilities, deferred inflow of resources, reserves, fund equity, revenues and expenditures. The District's current operations require the use of only the following fund type:

Governmental Fund:

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the District.

General Fund

The General Fund is the principal fund of the District and is used to account for the operations of the District. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund

Fiduciary funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments, and/or other funds. The District reports its Fiduciary activity in a custodial fund, which presents Fiduciary net position and changes in net position.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financials are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50 (GASB 34, as amended by GASB 63 and 65).

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The General Fund utilizes the following practices in recording revenues and expenditures:

Revenues

The District's revenue is primarily derived from contributions and a cooperative endeavor agreement (more fully discussed in Note 3) and is considered recorded when it is measurable and available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgetary Accounting

Annually, the District adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. All appropriations lapse at year end. Formal budget integration within the accounting records is employed as a management control device during the year. The board also reviews budget versus actual reports on a monthly basis. Changes or amendments are made upon approval of the board.

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.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Louisiana revised statutes authorize the District to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Equity Classification

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classification (Continued)

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government's highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

The District, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the District authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use it is the District's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Leases

The District evaluates contracts to determine whether the contract conveys control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction, in accordance with GASB Statement No. 87, Leases, as codified in GASB Codification Section L20.

For leases with a maximum possible term of 12 months or less at commencement, including any options to extend, the District recognizes lease payments as expenditures or expenses based on the payment provisions of the contract. The District does not recognize a lease liability or an intangible right-to-use lease asset for short-term leases.

As of and for the year ended December 31, 2025, the District did not have any long-term lease arrangements requiring recognition of a lease liability or intangible right-to-use lease asset under GASB Statement No. 87. Lease expenditures, if any, related to short-term or cancellable arrangements are recognized in the period incurred.

**FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through June 23, 2026, the date on which the financial statements were available to be issued.

(2) CASH

At December 31, 2025, the District had cash (book balances) totaling \$449,180. 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 Union, and the laws of the United States. The District may also invest in U.S. Treasury securities and other evidence of indebtedness issued or guaranteed by federal agencies and time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

At December 31, 2025, the reported amount of the District's deposits was \$449,180 and the bank balance was \$449,569. Of the bank balance, \$250,000 was covered by federal depository insurance or by collateral held by the District's agent in the District's name and \$199,569 was covered by collateral held in the pledging bank's trust department in the District's name.

(3) CONTRACTS WITH THE CITY OF NEW ORLEANS AND NEW ORLEANS AND COMPANY

On April 24, 2021 voters approved a ballot proposition authorizing a .245% increase in the sales tax within the boundaries of the French Quarter Economic Development District (FQEDD) beginning July 1, 2021 and ending June 30, 2026. The purpose of the additional tax was to provide supplemental police patrols and homeless assistance services within the FQEDD boundaries. The first \$2 million collected in any year is dedicated to supplemental police patrols and additional revenues are to be divided between additional patrols and public safety programs. The FQEDD is a political subdivision of the State of Louisiana, and the City Council of the City of New Orleans is its governing authority.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(3) CONTRACTS WITH THE CITY OF NEW ORLEANS AND NEW ORLEANS AND COMPANY (CONTINUED)

The District was appointed as the administrator for the FQEDD Trust Fund and is responsible for its fiscal and operational oversight. On October 1, 2021, the City of New Orleans and the District entered into a cooperative endeavor agreement which unless canceled by the option of either party operates through June 30, 2026. For its services, the District receives an administrative fee not to exceed 7% of the monthly collections remitted to the FQEDD Trust Fund, up to \$150,000. During the year ended December 31, 2025, the District submitted invoices for reimbursement totaling \$130,080 under the agreement.

In January 2025, the District entered into a memorandum of understanding with New Orleans & Company. Under the memorandum, New Orleans & Company would provide \$150,000 for the year ended December 31, 2025 in two payments of \$75,000. The payments are contingent on the collection of hotel-motel taxes pursuant to Louisiana Revised Statute 21:201 through 21:208. The District is obligated to use the funding for the salary and employee benefits of staff, paying taxes and fees, purchasing or renting resources for staff, or paying insurance for staff and the District's office. The District recognized \$150,000 of revenues under this agreement for the year ended 2025. The District has since signed a similar agreement which will provide \$150,000 of revenues in the year ended December 31, 2026.

On February 1, 2022, the District entered into a cooperative endeavor agreement with New Orleans & Company to administer the Upper French Quarter Patrol which provides supplemental police patrols to a section of the French Quarter. Under the terms of the agreement, the District is to receive a maximum of \$100,000 per month, and the District retains a 10% administrative fee. The payments are contingent on the collection of hotel motel taxes pursuant to Louisiana Revised Statute 21:201 through 21:208. The original agreement term has since been extended five times, with a current ending date of December 31, 2025. During the year ended December 31, 2025, the District agreed to reduce the funding received from New Orleans & Company based on the federal funds received for police patrols. Therefore, as of December 31, 2025, the District has received \$254,891 based upon the terms of the agreement.

(4) STATE APPROPRIATIONS

On June 19, 2024, House Bill 1 of the Louisiana Legislature was signed into law as Act 4 of the legislative session. The District was appropriated \$1,250,000 from the state of Louisiana's general fund for the fiscal year 2024-2025. The District has yet to receive the second payment of \$625,000 from the state appropriations as of December 31, 2025.

On June 20, 2025, House Bill 1 of the Louisiana Legislature was signed into law as Act 1 of the legislative session. The District was appropriated \$1,250,000 from the state of Louisiana's general fund for the fiscal year 2025-2026. The District has yet to receive the first payment of \$625,000 from the state appropriations as of December 31, 2025.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(4) STATE APPROPRIATIONS (CONTINUED)

As of December 31, 2025, the District has recorded \$1,250,000 of receivables relating to state appropriations.

(5) CONTRACT WITH FRENCH QUARTER MUSEUM ASSOCIATION

On June 28, 2019, the District agreed to a CEA with the French Quarter Museum Association (FQMA), that was set to expire on December 31, 2020, and was extended several times. The agreement currently is in operation until December 31, 2025. Under the terms of the agreement, the District serves as the fiscal agent of FQMA by maintaining an FDIC insured checking account that shall be restricted for FQMA use only using FQMA Members' dues and restricted donations as deposits. The District's duties include general bookkeeping, maintaining the checking account, approving an appropriate budget for FQMA, and approving an appropriate advertising campaign for FQMA.

The District is allowed to retain 3% from all deposits as a service fee and reimburse itself a maximum of \$1,000 for direct costs incurred by the District on behalf of FQMA. FQMA or the District has the right to terminate the agreement immediately for cause.

(6) CONCENTRATIONS OF CREDIT RISK

All of the District's receivables as of December 31, 2025 are due from the City of New Orleans and the state.

In 2025, the District received 13% of its funding from its agreements with the City of New Orleans and New Orleans & Company as described in Note 3 and 64% of its funding from the State Appropriations as described in Note 4.

(7) RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

(8) LEASE

The District entered into a lease agreement commencing on January 1, 2025 and ending on December 31, 2025. The lease agreement called for payments of \$1,600 per month. During 2025, the District paid \$19,200 in connection with this agreement, which is reported as rental of office space on the statement of revenues, expenditures, and changes in fund balance – governmental fund.

FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(9) SUBSEQUENT EVENTS

As of January 1, 2026, the District entered into a lease amendment to extend the term of the lease in Note 8 to December 31, 2026. The lease amendment includes an increase bringing the rent to \$2,600 per month due to the addition of office spaces to the lease.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

FRENCH QUARTER MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<u>REVENUES:</u>				
Contract revenues	\$ 2,907,610	\$ 570,371	\$ 364,572	\$ (205,799)
Grant revenues	-	-	333,652	333,652
Admin fees	199,986	300,000	287,080	(12,920)
Contributions	-	-	-	-
Other income	34,700	34,700	57,184	22,484
	<u>3,142,296</u>	<u>905,071</u>	<u>1,042,488</u>	<u>137,417</u>
Total revenues				
<u>EXPENDITURES:</u>				
Current for general government:				
Admin fees	120,000	-	-	-
Salaries and benefits	204,010	203,934	206,848	(2,914)
Insurance	29,257	29,257	32,246	(2,989)
Professional services	81,497	101,880	95,209	6,671
Office expenses	22,700	23,200	42,026	(18,826)
Rental of office space	20,916	20,916	19,200	1,716
Other	87,501	18,229	85,874	(67,645)
	<u>565,881</u>	<u>397,416</u>	<u>481,403</u>	<u>(83,987)</u>
Total current general government expenditures				
Current for public safety:				
Police patrols	1,944,749	5,010,010	1,429,745	3,580,265
Security dispatching and administration	-	-	179,304	(179,304)
Gas, supplies, maintenance and repairs	-	-	35,152	(35,152)
Street repairs	1,116,885	2,463,230	1,854,839	608,391
	<u>3,061,634</u>	<u>7,473,240</u>	<u>3,499,040</u>	<u>3,974,200</u>
Total current public safety expenditures				
Current for recycling and beautification:				
Trash and recycling contracts	119,600	257,000	217,240	39,760
	<u>119,600</u>	<u>257,000</u>	<u>217,240</u>	<u>39,760</u>
Total current recycling and beautification expenditures				
Total current expenditures	<u>3,747,115</u>	<u>8,127,656</u>	<u>4,197,683</u>	<u>3,929,973</u>
Net change in fund balance	(604,819)	(7,222,585)	(3,155,195)	4,067,390
Fund balance - beginning	3,641,289	3,641,289	3,641,289	-
Fund balance - ending	<u>\$ 3,036,470</u>	<u>\$ (3,581,296)</u>	<u>\$ 486,094</u>	<u>\$ 4,067,390</u>

See Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

FRENCH QUARTER MANAGEMENT DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

	Michelle Courseault
	<u>Executive Director</u>
Time served	1/1/2025 through 12/31/2025
Salary	\$ 112,000
Benefits - insurance and HSA	<u>6,745</u>
Total compensation, benefits, and other payments	<u>\$ 118,745</u>

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



**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 Board of Commissioners and Management of the
French Quarter Management District
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 the governmental activities and each major fund of the French Quarter Management District (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2026.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 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.

To the Board of Commissioners and Management of the
French Quarter Management District
June 23, 2026

Report on 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 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 entity'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 entity'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 Legislative Auditor as a public document.

June 23, 2026
New Orleans, Louisiana



Certified Public Accountants

**FRENCH QUARTER MANAGEMENT DISTRICT
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

SECTION I SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the French Quarter Management District (the District).
2. No material weaknesses in internal control relating to the audit of the financial statements were reported in the 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*.
3. No instances of noncompliance material to the financial statements of the French Quarter Management District were reported in the 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*.
4. No management letter was issued for the year ended December 31, 2025.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended December 31, 2025.

**FRENCH QUARTER MANAGEMENT DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

SECTION I – FINANCIAL STATEMENTS FINDINGS

There were no findings for the year ended December 31, 2024.

SECTION II – MANAGEMENT LETTER ITEMS

No management letter was issued for the year ended December 31, 2024.

FRENCH QUARTER MANAGEMENT DISTRICT

NEW ORLEANS, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

DECEMBER 31, 2025



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
French Quarter Management District

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2025. French Quarter Management District's management is responsible for those C/C areas identified in the SAUPs.

French Quarter Management District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by French Quarter Management District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of French Quarter Management District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

June 26, 2026
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

**FRENCH QUARTER MANAGEMENT DISTRICT
 AGREED-UPON PROCEDURES
 FOR THE YEAR ENDED DECEMBER 31, 2025**

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - b) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - c) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - d) ***Disbursements***, including processing, reviewing, and approving.
 - e) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - f) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - g) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - j) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - k) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- l) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- m) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the procedures.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: No exceptions were found as a result of applying the procedures.

BANK RECONCILIATIONS

3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the procedures.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five deposit sites). obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- a) Employees responsible for cash collections do not share cash drawers/registers;
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

- c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. **Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the ten deposits and
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedures.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than five).

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)(CONTINUED)**

9. **Procedures:** For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - b) At least two employees are involved in processing and approving payments to vendors;
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. **Procedures:** For each location selected under procedure #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)(CONTINUED)**

- b) Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of applying the procedures.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

- 12. **Procedures.** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 13. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- 14. **Procedures:** Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- 15. **Procedures.** Using the list of terminated employees obtained in Payroll and Personnel procedure #20 identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

**CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)
(CONTINUED)**

Results: Two exceptions were found as a result of applying the procedure: The district was unable to provide receipts for two credit card transactions. The district paid financing charges on one of the statements provided. No other exceptions were found as a result of applying the procedure.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

16. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h; and
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Not applicable as the District did not have any travel or travel-related reimbursements during the fiscal period.

CONTRACTS

17. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

CONTRACTS (CONTINUED)

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedures.

PAYROLL AND PERSONNEL

- 18. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 19. **Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under procedure #18 above, obtain attendance records and leave documentation for the pay period, and
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note. Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records, and
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 20. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

PAYROLL AND PERSONNEL (CONTINUED)

21. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedures.

ETHICS

22. **Procedures:** Using the five randomly selected employees/officials from Payroll and Personnel procedure #18 obtain ethics documentation from management, and
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42.1170.

Results: No exceptions were found as a result of applying the procedures.

DEBT SERVICE

23. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable as the District did not have any debt instruments issued during the fiscal period.

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

FRAUD NOTICE

25. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. **Procedure:** Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

27. **Procedures:** Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management".
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
 - d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #20. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**FRENCH QUARTER MANAGEMENT DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

**INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY
(CONTINUED)**

e) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18 obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

28. **Procedures:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

29. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

30. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344.

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: We noted that none of the employees selected completed sexual harassment training during the year.

FRENCH QUARTER MANAGEMENT DISTRICT
CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES
JANUARY 1, 2025 - DECEMBER 31, 2025

June 26, 2026

Louisiana Legislative Auditor

The French Quarter Management District respectfully submits the following corrective action plan for items identified pursuant to the Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: January 1, 2025 – December 31, 2025

The exceptions from the Agreed-Upon Procedures Report are discussed below:

Credit Cards

Exceptions: Two credit card transactions during the year did not have receipt documentation provided. The district paid financing charges on one of the statements provided.

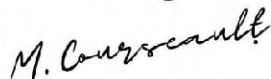
Management's Response: Management agrees with the exceptions noted. Management will reinforce the requirement that all credit card charges be supported by itemized receipts or other appropriate documentation before approval and payment. For any missing documentation, management will require a written explanation and secondary review before the transaction is approved. Management will also review credit card statements timely to ensure balances are paid by the due date and will monitor future statements to prevent unnecessary finance charges.

Sexual Harassment

Exceptions: None of the employees selected completed sexual harassment training during the year.

Management's Response: Management agrees with the exception noted. Management will ensure that all employees complete the required annual sexual harassment training in accordance with applicable requirements. Management will maintain documentation of completed training and will periodically monitor completion status during the year to ensure all employees complete the training timely.

Acknowledged as of 6/26/2026, sincerely,



Signature

Executive Director

Title