
FRENCH MARKET CORPORATION
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

FRENCH MARKET CORPORATION
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FINANCIAL STATEMENTS
DECEMBER 31, 2024

FRENCH MARKET CORPORATION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
French Market Corporation
(A Proprietary Component Unit of the City of New Orleans)
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of French Market Corporation (the Market), a component unit of the City of New Orleans, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Market'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 business-type activities of the Market, as of December 31, 2024, respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Market, 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.

Emphasis of Matter Regarding a Prior Period Adjustment

As discussed in Note 11 to the financial statements, the net position related to other postemployment benefits (OPEB)—including medical, insurance, and hospital benefits provided to retirees—was overstated by \$756,733 as of December 31, 2023. As of December 31, 2023, the net OPEB liability was understated by \$744,668, deferred outflows of resources were understated by \$188,731, and deferred inflows of resources were understated by \$200,796. Accordingly, the net OPEB liability, deferred outflows, deferred inflows, and OPEB expense have been restated in the 2023 financial statements. Our opinion is not modified with respect to this matter.

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 Market'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.

Auditor's 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 auditor's 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 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 Market'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 Market'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 and Schedule I, Schedule II, Schedule III and notes to required supplementary information on pages 36-38 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 the Market's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head (Schedule IV) on page 40 is presented for purposes of additional analysis 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 standard generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025, on our consideration of the Market'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 Market's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Market's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 9, 2025

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

As the financial manager of the Market, we offer readers of the accompanying financial statements, this narrative overview and analysis of the financial activities of the Market for the year ended December 31, 2024. This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities.

We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Using This Annual Report

Our auditors have provided assurance in their independent auditor's report located immediately preceding this Management's Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements. Varying degrees of assurances are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Financial Highlights – 2024

- The Market's assets and deferred outflows exceeded its liabilities and deferred inflows by \$38,932,461. Of this amount, \$11,160,242 was unrestricted and \$19,772,219 represented the net investment in capital assets.
- The Market's net position increased by \$9,034,514 during the year ended December 31, 2024.
- Operating revenues increased from \$11,252,311 in 2023 to \$11,396,782 in 2024, as a result of the Market's increased activities from festivals and events.
- At December 31, 2024, the Market reported a lease receivable of \$13,592,549 and a deferred inflow of resources on these leases of \$12,864,585.
- At December 31, 2024, the Market had an increase in restricted net position in the amount of \$8,000,000. The increase is related to the Cooperative Endeavor Agreement (CEA) with the City of New Orleans for funding capital improvements to the Upper Pontalba.
- At December 31, 2024, the Market funded capital asset additions of \$3,015,349, primarily for constructions in progress for Building E and bathroom renovations.
- During the year ended December 31, 2024, \$485,338 in construction in progress was transferred to building improvements for the completion of the Building C Roof.
- During the fiscal year ended December 31, 2024, management identified a reporting adjustment related to OPEB benefits for retirees. The net position was overstated by \$756,733 due to an understated OPEB liability of \$744,668, deferred outflows of \$188,731, and deferred inflows of \$200,796.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

Overview of the Financial Statements

The Market's basic financial statements comprise of Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and the related notes to the financial statements. Since the Market consists of a single enterprise fund, no fund level financial statements are shown.

Basic financial statements. The basic financial statements are designed to provide readers with a broad overview of the Market's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Market's assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Market is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial position.

Overview of the Financial Statements (continued)

The statements of revenues, expenses and changes in net position presents information showing how the Market's net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

Financial Analysis - 2024

The Statements of Net Position include information on all the Market's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Market.

CONDENSED STATEMENTS OF NET POSITION

	2024	2023 (As Restated)	Increase (Decrease)
Current assets	\$ 17,300,396	\$ 18,374,082	\$ (1,073,686)
Restricted assets	8,286,615	289,494	7,997,121
Lease, non current portion	12,018,125	13,526,790	(1,508,665)
Capital assets, net	19,772,219	17,824,867	1,947,352
Total assets	57,377,355	50,015,233	7,362,122
Deferred outflow of resources	1,097,151	1,280,629	(183,478)
Total assets and deferred outflow of resources	58,474,506	51,295,862	7,178,644
Current liabilities	1,574,193	1,192,897	381,296
Noncurrent liabilities	4,370,556	5,065,995	(695,439)
Total liabilities	5,944,749	6,258,892	(314,143)
Deferred inflow of resources	13,597,296	15,139,023	(1,541,727)
Total liabilities and deferred inflow of resources	19,542,045	21,397,915	(1,855,870)
Net position			
Net investment in capital assets	19,772,219	17,824,867	1,947,352
Restricted	8,000,000	-	8,000,000
Unrestricted	11,160,242	12,073,080	(912,838)
Total net position	\$ 38,932,461	\$ 29,897,947	\$ 9,034,514

In 2024, net position increased by \$9,034,514 from 2023 to 2024. Current assets comprised mostly of cash and cash equivalents in the amount of \$14,516,861. The decrease in current assets in the amount of \$-1,073,686, mainly relates to the capital improvements of Building E and the Market's bathroom renovations. The increase in restricted net position consists of the \$8,000,000 CEA from the City of New Orleans for the capital improvements to the Upper Pontalba. Lease receivables decreased by \$-1,500,555 due to the collection of lease payments and no new significant changes or amendments to leases. Capital assets increased by \$1,947,352 as additions of \$3,015,349, exceeded depreciation expense of \$1,067,997. Deferred inflows of resources decreased by \$-1,541,727 of which \$12,864,585 was a deferred inflow of resources on leases related to GASB 87.

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

Financial Analysis - 2024 (continued)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	2024	2023 (As Restated)	Increase (Decrease)
Operating revenues			
Rental income	\$ 8,428,761	\$ 8,525,268	\$ (96,507)
Parking income	2,863,202	2,662,381	200,821
Other income	104,819	64,662	40,157
Total operating revenue	<u>11,396,782</u>	<u>11,252,311</u>	<u>144,471</u>
Operating expenses			
Salaries, wages, and benefits	3,676,926	3,525,775	151,151
Maintenance, repairs and equipment	1,585,172	1,601,635	(16,463)
Professional services	1,467,191	1,559,381	(92,190)
Depreciation	1,067,997	1,001,532	66,465
Insurance	1,033,677	1,139,783	(106,106)
Advertising and promotion	753,633	915,082	(161,449)
Other	564,792	976,661	(411,869)
Utilities and communication	424,955	460,185	(35,230)
Total operating expenses	<u>10,574,343</u>	<u>11,180,034</u>	<u>(605,691)</u>
Nonoperating income (loss)			
Capital grant from City of New Orleans	8,000,000	550,000	7,450,000
Interest	312,075	230,424	81,651
Insurance proceeds	-	432,448	(432,448)
Total nonoperating revenue (expense)	<u>8,312,075</u>	<u>1,212,872</u>	<u>7,099,203</u>
Change in income before transfers	9,134,514	1,285,149	7,849,365
Transfer out to City of New Orleans	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in net position	9,034,514	1,185,149	7,849,365
Net position, beginning of year	<u>29,897,947</u>	<u>28,712,798</u>	<u>1,185,149</u>
Net position, end of year	<u>\$ 38,932,461</u>	<u>\$ 29,897,947</u>	<u>\$ 9,034,514</u>

FRENCH MARKET CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

Financial Analysis - 2024 (continued)

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the Market's financial health. For the year ended December 31, 2024, operating revenues increased by \$144,471 with decrease of rental income, increase of parking income, and increase of other income of \$-96,507, \$200,821, and \$40,157, respectively.

During 2024, operating expenses decreased by \$-605,691. Salaries, wages, and related benefits increased by \$151,151, professional services decreased by \$-92,190, advertising and promotion decreased by \$-161,449, insurance decreased by \$-106,106, and other, which includes insurance repairs funded by Hurricane Ida and Wharf expenses funded by the City of New Orleans decreased by \$-411,869.

During 2024, non-operating income of \$8,312,075 exceeded the prior year increase of \$1,212,872 by \$7,099,203. The change is mostly related to the grant from the City of New Orleans for capital improvements in the amount \$8,000,000 and increase of interest income of \$81,651 due to higher interest rates on deposits and significantly more cash balances due to the grant from City of New Orleans

The Statements of Cash Flows present the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for capital additions. Cash increased by \$7,303,670. During 2024, the Market collected no insurance proceeds. The cash used from noncapital financing activities of \$-100,000 relates to the transfer to the City of New Orleans for rent. Operating activities provided \$1,556,944 while capital and related financing activities provided \$5,534,651 in cash.

CONDENSED STATEMENT OF CASH FLOWS **FOR THE YEARS ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Cash flows from:			
Operating activities	\$ 1,556,944	\$ 846,853	\$ 710,091
Noncapital financing activities	(100,000)	332,448	(432,448)
Capital and related financing activities	5,534,651	(1,002,766)	6,537,417
Investing activities	<u>312,075</u>	<u>230,424</u>	<u>81,651</u>
Net change in cash	7,303,670	406,959	6,896,711
Beginning of year cash	<u>15,499,806</u>	<u>15,092,847</u>	<u>406,959</u>
End of year cash	<u>\$ 22,803,476</u>	<u>\$ 15,499,806</u>	<u>\$ 7,303,670</u>

FRENCH MARKET CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Capital Assets

As of December 31, 2024, the Market's investment in capital assets which is composed of land, building and improvements, furniture, fixtures and equipment amounts to \$19,772,219 and net of accumulated depreciation in the amount of \$32,891,792, respectively. As of December 31, 2023, the Market's investment in capital assets amounts to \$17,824,867 and the net of accumulated depreciation is \$31,823,795, respectively. The Market's five-year capital budget includes major building repairs and renovations, vehicle purchases, equipment replacements, painting of buildings, and landscape improvements.

Debt Administration

As of December 31, 2024, the Market's long-term debt includes its noncurrent compensated absences of \$311,656, net pension liability of \$2,977,839, and other postemployment benefits (OPEB) of \$794,446. As of December 31, 2023, the Market's long-term debt includes its noncurrent compensated absences of \$316,169 and net pension liability of \$3,715,664, and other postemployment benefits (OPEB) of \$744,668.

Economic Outlook

The Market adopts an annual operating budget and a five-year capital budget. The capital budget depicts various planned improvement projects while the continuing operating budget includes proposed expenses and the means of financing them. Market's revenue during 2024 was better than budgeted due to the \$8,000,000 in funding to the Market for design and construction improvements to the Upper Pontalba Building.

The Market experienced extensive damage from Hurricane Ida to three of its buildings, which includes Building E, Building C and the Upper Pontalba Building (UPB). The Building C roof replacement has been completed during the 2024 fiscal year. The UPB, Building E, and bathroom renovations are still in construction in progress and is expected to be completed in 2025. Due to the damage to Building E in 2023, the Market's Administrative Offices were relocated to two vacant commercial spaces in the Upper Pontalba Building.

Request for Information

This financial report is designed to provide a general overview of the Market's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Market's Executive Director at 1008 N. Peters Street, New Orleans, Louisiana 70116.

FRENCH MARKET CORPORATION
STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

CURRENT ASSETS

Cash and cash equivalents	\$ 14,516,861
Accounts receivable, net	808,653
Lease receivable, current portion	1,574,424
Prepaid expenses and other assets	400,458
Total current assets	<u>17,300,396</u>

NON-CURRENT ASSETS

Cash, restricted for rental deposits	286,615
Cash, restricted for capital expenditures (Upper Pontalba Building)	8,000,000
Lease receivable, non current portion	12,018,125
Capital assets, net	19,772,219
Total noncurrent assets	<u>40,076,959</u>

TOTAL ASSETS

57,377,355

DEFERRED OUTFLOW OF PENSION RESOURCES

Deferred outflow of net pension liability	891,620
Deferred outflow of other postemployment benefit (OPEB) pension liability	205,531
Total deferred outflows of resources	<u>1,097,151</u>

TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES

\$ 58,474,506

**LIABILITIES, DEFERRED INFLOW OF RESOURCES,
AND NET POSITION**

CURRENT LIABILITIES

Accounts payable	\$ 888,353
Due to City of New Orleans	446,535
Compensated absences	34,628
Unearned revenue	204,677
Total current liabilities	<u>1,574,193</u>

NON CURRENT LIABILITIES

Rental deposits	286,615
Compensated absences	311,656
Net pension liability	2,977,839
Other postemployment benefit (OPEB) pension liability	794,446
Total noncurrent liabilities	<u>4,370,556</u>

Total liabilities

5,944,749

DEFERRED INFLOW OF RESOURCES

Deferred inflow of net pension liability	567,347
Deferred inflow of other postemployment benefit (OPEB) pension liability	165,364
Deferred inflow of leases	12,864,585
Total deferred inflow of resources	<u>13,597,296</u>

TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES

\$ 19,542,045

NET POSITION

Net investment in capital assets	\$ 19,772,219
Capital grant from City of New Orleans	8,000,000
Unrestricted	11,160,242

TOTAL NET POSITION

\$ 38,932,461

The accompanying notes are an integral part of this financial statement.

FRENCH MARKET CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

REVENUES

Rental income	\$ 8,428,761
Parking income	2,863,202
Other income	104,819
Total operating revenues	<u>11,396,782</u>

EXPENSES

Salaries, wages, and related benefits	3,676,926
Maintenance and repairs	1,585,172
Professional services	1,467,191
Depreciation	1,067,997
Insurance	1,033,677
Advertising and promotion	753,633
Telephone and utilities	424,955
Fees and taxes	148,888
Equipment expense	132,220
Other	128,792
Security	55,874
Supplies and materials	52,584
Bad debt expense	46,434
Total operating expenses	<u>10,574,343</u>

OPERATING INCOME

822,439

NONOPERATING REVENUE

Capital grant from City of New Orleans	8,000,000
Interest income	312,075
Total nonoperating revenue	<u>8,312,075</u>

Income before transfer	<u>9,134,514</u>
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TRANSFERS

Transfer to City of New Orleans	<u>(100,000)</u>
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CHANGE IN NET POSITION

\$ 9,034,514

NET POSITION, BEGINNING OF THE YEAR (AS RESTATED)

29,897,947

NET POSITION, END OF THE YEAR

\$ 38,932,461

The accompanying notes are an integral part of this financial statement.

FRENCH MARKET CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Received from tenants	\$ 10,977,124
Received from others	104,819
Paid to employees for services	(3,963,756)
Paid to suppliers for goods and services	(5,561,243)
Net cash provided by operating activities	<u>1,556,944</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfer out to the City of New Orleans	(100,000)
Insurance proceeds	-
Net cash used in noncapital financing activities	<u>(100,000)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments for capital additions	(3,015,349)
Capital grant from City of New Orleans	8,550,000
Net cash provided by capital and related financing activities	<u>5,534,651</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	312,075
Net cash provided by investing activities	<u>312,075</u>

Net change in cash and cash equivalents 7,303,670

Cash and cash equivalents, beginning of year 15,499,806

Cash and cash equivalents, end of year \$ 22,803,476

RECONCILIATION TO STATEMENTS OF NET POSITION

Cash and cash equivalents	\$ 14,516,861
Cash, restricted for rental deposits	286,615
Cash, restricted for capital expenditures (Upper Pontalba Building)	8,000,000
	<u>\$ 22,803,476</u>

Reconciliation of net operating income to net cash provided by operating activities areas follows:

Operating income \$ 822,439

Adjustments to reconcile net operating income to net cash provided by operating activities:

Depreciation	1,067,997
Bad debt expense	46,434
Deferred outflow of resources:	
Decrease in net pension liability	200,278
Increase in other post employment benefits (OPEB) pension liability	(16,800)
Deferred inflow of resources:	
Increase in net pension liability	200,525
Decrease in other post employment benefits (OPEB) pension liability	(35,432)
Decrease in leases	(1,706,820)
Decrease in net pension liability	(737,825)
Increase in other post employment benefits (OPEB) pension liability	49,778
Changes in operating assets and liabilities:	
Decrease in accounts receivable	1,279,169
Decrease in prepaid and other assets	13,297
Increase in accounts payable	208,446
Decrease in rental deposits	(2,879)
Increase in due to governmental agencies	104,095
Increase in unearned revenue	69,257
Decrease in compensated absences	(5,015)
Net cash provided by operating activities	<u>\$ 1,556,944</u>

The accompanying notes are an integral part of this financial statement.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies

Organization

The French Market Corporation (the Market), a Louisiana Public Benefit Corporation was organized on March 15, 1973, to provide for the operation and maintenance of the French Market Properties owned by the City of New Orleans. These properties include five buildings and the Farmers Market. The Market is owned by the City of New Orleans and administered by a Board of Directors consisting of twelve members appointed by the Mayor of the City of New Orleans.

Reporting Entity

The Market is presented as a component unit of the City of New Orleans. Component units are legally separate organizations for which elected officials of the primary government (City of New Orleans) are financially accountable. Component unit status is determined using the following criteria:

The City of New Orleans is financially accountable if it appoints a voting majority of the Market's governing body and is either:

1. Able to impose its will on the Market.
2. There is potential for the Market to provide specific financial benefits to or impose financial burdens on the City of New Orleans. The City of New Orleans may be financially accountable if the Market is fiscally dependent on the City of New Orleans.

The City of New Orleans appoints a voting majority of the Market's governing body and there is potential for the Market to provide specific financial benefits to the City of New Orleans. This qualifies the Market as a component unit of the City of New Orleans. The accompanying financial statements present information only on the Market and do not present information on the City of New Orleans. The Market has no component units.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The term measurement focus is used to denote what is being measured and reported in the Market's financial statements. The Market is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether the Market is better or worse off economically as a result of events and transactions of the period.

The term basis of accounting is used to determine when a transaction or event is recognized on the Market's financial statements. The Market uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The Market is presented similar to enterprise funds which are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences may be material.

Cash and cash equivalents

For purposes of the statements of cash flows, the Market considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include amounts in non-interest-bearing demand deposits. Under state law, the Market may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States of America.

Accounts Receivable

Accounts receivable are carried at a net amount determined by the original billings for space rentals and related fees, less vacancy adjustments, less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Market does not charge interest on accounts receivable. Accounts receivable are written-off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written-off are recorded as a reduction of bad debt expense when received. As of December 31, 2024, the Market expects that \$22,511 of receivables will be uncollected, and these amounts have been recorded as an allowance for doubtful accounts. For the years ended December 31, 2024, the Market identified uncollectible accounts receivable amounts and recorded bad debt expense of \$46,434.

Capital Assets

Capital assets are defined by the Market as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or the estimated acquisition value at the time of contribution to the Market. Major outlays for capital assets are capitalized as projects are constructed. Interest incurred (net of interest earned on invested proceeds during the construction phase) is reflected in the capitalized value of the capital assets constructed.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10-50 years
Furniture, fixtures, and equipment	5-10 years
Vehicles	5 years
Software	3 years

Contributed capital assets are valued at their estimated acquisition value at the date contributed. Capital assets are reviewed to evaluate prominent events or changes in circumstances to determine whether impairment of capital assets has occurred. The Market follows guidance in GASB 42, as applicable, to record the effects of capital asset impairments.

Deferred outflow/inflow of resources

A deferred outflow of resources represents a consumption of resources that are applicable to future reporting periods that will be reported in a separate section after assets. A deferred inflow of resources represents acquisition of resources that are applicable to a future reporting period that will be reported in a separate section after liabilities.

The deferred inflow of resources associated with leases is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, lease any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow is recognized in a systematic and rational manner over the term of the lease.

Deferred inflows and outflows have been recognized for the differences between the actuarial expectation and the actual economic experience, net difference between projected and actual earnings on pension plan investments, and changes in assumptions related to the defined benefit pension plan. In addition, deferred inflows and outflows have been recognized for the net difference between the projected and actual experience and changes in assumptions related to the OPEB liability. These amounts are deferred and amortized over the average of the expected service lives of the respective pension and OPEB plan members.

Compensated absences

The Market's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave are recorded as expenses and liabilities as the benefits accrued to the employees. Employees are permitted to accumulate a limited amount of earned but unused vacation benefits which are to be paid to employees upon separation from the Market.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Compensated absences (continued)

All full-time classified employees of the Market hired prior to January 1, 1979, are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978, can accrue a maximum of 45 days of annual leave and an unlimited number of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon current hourly rate of pay and for accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting accrued sick leave to additional years of service.

Rental deposits

Deposits received in advance as part of the Market's lease arrangements with commercial and residential tenants are initially recorded at fair value and are disclosed in the financial statements separately from other liabilities such as accounts payable and accrued expenses. Deposits are typically one month's rent.

Pensions

The Market participates in the City of New Orleans' defined benefit pension plan which covers substantially all employees and funds all or part of the accrued pension cost, depending on the resources that are available at the time of contribution. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Net Position

Net position classifications are defined as follows:

Net Investment in capital assets – This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

FRENCH MARKET CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Net Position (continued)

Unrestricted – This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” as described above.

When both restricted and unrestricted resources are available for use, the Market’s policy is to use restricted resources first, then unrestricted resources as they are needed.

Revenues and expenses

The Market distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Market’s ongoing operations. The principal operating revenues of the market are tenant rental revenue, advertising revenue, and parking revenue. Operating expenses include the costs of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Recent Pronouncements - Adopted

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022. The adoption of this standard did not have any material impact on the financial statements of the Market.

The GASB issued Statement No. 99, Omnibus 2022. The requirements of this Statement related to the enhancement in comparability in accounting and financial reporting related to financial guarantees, other derivative instruments, extended use of LIBOR and other technical corrections and are effective for periods beginning after June 15, 2023. The adoption of this standard did not have any material impact on the financial statements of the Market.

The GASB issued Statement No. 100, Accounting Changes and Error Correction — an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for fiscal years beginning after June 15, 2023. The adoption of this standard did not have any material impact on the financial statements of the Market.

The GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal year beginning after December 15, 2023. The adoption of this standard did not have any material impact on the financial statements of the Market.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

2. Cash and Cash Equivalents

Under state law, the Market's deposits (or the resulting bank balances) must be insured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a bank failure, the Market's deposits may not be returned to it under state law. As of December 31, 2024, the Market's deposits had a carrying amount of \$22,803,476. As of December 31, 2024, the Market had a bank balance of \$23,464,703 of which \$250,000 was covered by federal depository insurance. As of December 31, 2024, \$23,214,703 was covered by collateral held in the name of the pledging fiscal agent bank in a holding or custodial bank.

3. Capital Assets

The capital assets of the Market as of December 31, 2024, consist of the following:

	January 1, 2024	Additions	Reductions	Transfers	December 31, 2024
Land	\$ 151,917	\$ -	\$ -	\$ -	\$ 151,917
Construction in progress	1,944,027	2,589,868	-	(485,338)	4,048,557
Buildings and improvements	45,037,584	184,035	-	485,338	45,706,957
Furniture, fixtures, and equipment	2,341,623	241,446	-	-	2,583,069
Automobiles	63,789	-	-	-	63,789
Software	109,722	-	-	-	109,722
Total	49,648,662	3,015,349	-	-	52,664,011
Accumulated depreciation	(31,823,795)	(1,067,997)	-	-	(32,891,792)
Capital assets, net	<u>\$ 17,824,867</u>	<u>\$ 1,947,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,772,219</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. Capital Assets (continued)

As of December 31, 2024, the construction in progress of \$4,048,557 consists primarily of improvements to the Riverside parking lot and architectural and engineering costs for improvements to the Upper Pontalba building. During the years ended December 31, 2024, the Market had disposals of \$0 with a net book value of \$0. At December 31, 2024, \$485,338 in construction in progress was transferred to building improvements for the completion of Building C Roof.

4. Leases

At December 31, 2024, the Market has lease receivables in which the Market is acting as lessor with lease terms greater than one year. Included in the lease receivable are leases with terms of more than one year on 49 Market properties located in the Upper Pontalba, Colonnade, Edison Park, Farmer's Market and Oscar Dunn Park. The agreements expire at various intervals through the year 2054. Under GASB 87, an implicit interest rate is calculated for each individual lease using the internal rate of return method. The inflows of resources are recognized ratably over the lease using the net present value as of the inception of the leases at a 4.5% discount rate. The lease must be longer than one year including possible extension(s).

Residential leases, parking, flea market open space and special event rentals are generally for a term of one year or less and these amounts do not meet the requirements for recognition under GASB 87. For the years ended December 31, 2024, amounts included in rental income related to the short-term leases is \$5,719,755. The Market is also paid overage rent if the percentage of sales exceeds the base rent and these variable rent amounts do not meet the requirements for recognition under GASB 87. During the years ended December 31, 2024, variable rent earned on leases with terms of one year or more totaled \$3,159,751.

The following is a summary of the balances associated with the lessee transactions recorded at December 31:

	<u>2024</u>
Lease receivable	
Current	\$ 1,574,424
Non-current	<u>12,018,125</u>
Total lease receivable	<u>\$ 13,592,549</u>
Deferred inflows - leases	<u>\$ 12,864,585</u>

FRENCH MARKET CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

4. Leases (continued)

The remaining principal and interest on the Market's lease receivable are presented in the following table:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2025	\$ 1,574,424	\$ 578,380	\$ 2,152,804
2026	1,511,111	509,800	2,020,911
2027	1,453,090	441,834	1,894,924
2028	1,229,610	381,460	1,611,070
2029	1,029,290	329,235	1,358,525
2030 - 2034	2,486,147	1,206,056	3,692,203
2035 - 2039	1,472,919	811,652	2,284,571
2040 - 2044	853,519	538,746	1,392,265
2045 - 2049	969,102	342,918	1,312,020
2050 - 2054	1,013,337	101,880	1,115,217
	<u>\$ 13,592,549</u>	<u>\$ 5,241,961</u>	<u>\$ 18,834,510</u>

5. Pension Plan

Plan Description

The Employees' Retirement System of the City of New Orleans (Retirement System) is a cost-sharing multiple-employer defined benefit pension plan established on July 1, 1947 to provide retirement allowances and other benefits to all officers and employees of Orleans parish, except those who are already or may be included in the benefits of any other pension or retirement system of the city, the state or any political subdivision of the state. The Retirement System issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the Louisiana Legislative Auditor's website at www.la.la.gov.

FRENCH MARKET CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

5. Pension Plan (continued)

Benefits Provided

Retirement benefits

Members hired prior to January 1, 2018:

Normal Retirement Age:	5 years of service and age 65 30 years of service, regardless of age Any member whose age and service total 80 points
Normal Retirement Benefit:	2.5% of average compensation times creditable service for the first 25 years plus 4.0% of average compensation times creditable service thereafter

Members hired on or after January 1, 2018:

Normal Retirement Age:	5 years of service and age 65 20 Years of service and age 62 30 years of service, regardless of age Any member whose age and service total 80 points
Normal Retirement Benefit:	2.5% of average compensation times creditable service
Average Annual Compensation:	Average annual compensation for the highest consecutive 60-month period. Compensation for purposes of calculating a pension is capped at the Internal Revenue Code Section 401(a)(17) limit.
Early Retirement Provisions:	10 years of service and age 60
Early Retirement Benefit:	Normal Retirement benefit, reduced by 3% per year prior to age 62

A Retirement Incentive Plan was adopted for participating members with a retirement date in 2020.

Participants who retired in 2022 under the Voluntary Retirement Option receive annual increases of 1% of monthly benefits plus an annual payment to the member or surviving beneficiary of \$50 for each full year of employment (\$1,000 minimum) for the 10-year period beginning January 1, 2022.

If a member dies after retirement and before receiving the amount of the member's accumulated contributions in annuity payments, then the lump-sum balance of the member's contributions is paid to the member's beneficiary.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Disability benefits

If a member has at least ten years of service and is declared disabled, the member may be eligible for an ordinary disability retirement. The member receives a service retirement allowance, if eligible; otherwise, the member will receive a disability retirement allowance which will consist of:

1. An annuity which is the actuarial equivalent of the employee's accumulated contributions; and
2. An annual pension, which, together with (1), equals 75% of service allowance that would have been payable at age sixty-five, had a member continued in service to age sixty-five, computed on the average compensation.

If a member is declared disabled as the result of an accident sustained while in the actual performance of duty, without willful negligence on the member's part, the member may be eligible for an accidental disability retirement allowance. The member receives a service retirement allowance, if eligible; otherwise, the member will receive an accidental disability retirement allowance which will consist of:

1. An annuity which is the actuarial equivalent of the employee's accumulated contributions; and
2. An annual pension equal to the difference between his annuity and 65% of earnable compensation for the year preceding the date of the accident.

Medical examinations are required once each year during the first five years after retirement and once every three years thereafter until age sixty. Accidental disability benefits are offset by Workmen's Compensation payments, if any.

Survivor benefits

Upon the death of a member during active service, the member's accumulated plan contributions are paid to the member's beneficiary. In addition, if a member has three years of creditable service, an additional lump-sum benefit equal to 25% of the member's preceding year's base earnings plus 5% of earnings for each additional year of creditable service (benefit not to exceed compensation made before death) is paid. Also, if at the date of death, the member was eligible for retirement and leaves a surviving spouse, the surviving spouse shall be eligible to elect either Option 2 or lump sum refund of employee's contributions. If, at date of death, the member was ineligible for retirement, but was at least fifty-five years of age and had ten or more years of creditable service or was under age fifty-five and had at least twenty years of creditable service, then the surviving spouse may elect to receive a lump-sum benefit or an actuarially reduced amount based upon the members' age and years of creditable service. The benefit will cease when the surviving spouse reaches the age of eligibility for Social Security. Any death benefit will be offset by Worker's Compensation benefits.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Withdrawal from Service

Upon withdrawal from service, members are entitled to:

1. Effective January 1, 2002, a member who separates with five years of creditable service may allow his accumulated contributions to remain on deposit and service retirement allowance to begin as early as age sixty-five.
2. Prior to January 1, 2002, a member who separated with ten years of creditable service may allow accumulated contributions to remain on deposit and service retirement allowance to begin as early as age sixty (subject to reduction if retirement is elected before age sixty-two). If death occurs before retirement, accumulated contributions are returned with interest.
3. Upon withdrawal without five years of creditable service, the member is entitled to return of accumulated contributions with interest or may allow contributions to remain on deposit for maximum of five years. In the case of employee's death, then accumulated contribution plus interest are paid to the member's beneficiary.
4. If a member re-enters after receipt of refund and continues service thereafter for at least six months, the member may repay the amount of refund plus the amount of employer contributions, with compound interest, to receive prior creditable service again.

Deferred Retirement Option Plan (DROP)

In lieu of receiving a service retirement allowance, any member of the Retirement System who has more than sufficient service for a regular service retirement may elect to participate in the DROP program for up to five years. Effective the date of participation in DROP, the member stops contributing to and earning benefits in the system; employer contributions also end, and the retirement benefit begins being paid into the member's DROP account.

Interest is earned on the DROP account at an annual rate set by the board of trustees. Members of the DROP receive cost of living increases, as they would have received as a retiree. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After the DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation. If at the end of DROP participation, the member does not terminate employment, payments in DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated.

Cost of Living Adjustments

Cost of living provisions for the Retirement System allows the board of trustees to provide an annual cost of living increase. In 2017, the board of trustees was authorized to retain earnings or gains in excess of an average 3.5% to provide cost of living increases in benefits to retirees (past or future) in an amount not to exceed 3% of the initial benefit per each year of retirement, provided that the Retirement System's funded ratio was at least 95%. During 2022, the board of trustees amended its policy regarding Cost of Living Adjustments. Notwithstanding the 2017 policy, the board of trustees may be authorized to provide a cost of living increase or bonus to help adjust for actual changes in members' cost of living if the city appropriates sufficient funds to fully prefund the increase or bonus in the year the benefit is provided.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Contributions (Employer)

Contribution requirements for all employers are determined on the basis of regular interest and mortality tables adopted by the board of trustees, and additional percentage of earnable compensation, known as "Accrued Liability Contributions," determined by an actuary on basis of the amortization period adopted by the board of trustees. The Market was required to contribute 18.15% from January 1, 2024 through December 31, 2024 of annual covered payroll. Employees are required to contribute 6% of their annual pay. The Retirement System does not receive non-employer contributions.

The Market's proportionate share of employer contributions for the measurement period of January 1, 2023 through December 31, 2023 was \$249,575.

The Market's contributions to the Retirement System for the years ended December 31, 2024, were \$396,470.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

At December 31, 2024, the Market's net pension liability is comprised of its proportionate share of the net pension liabilities of the Employees' Retirement System of the City of New Orleans as follows:

	<u>2024</u>
Proportionate Share of the Net Pension Liability	\$ 2,977,839
Measurement Date	12/31/2023
Proportion (%) of Net Pension Liability	0.815537%
Prior Year Proportion share of Net Pension liability	\$ 3,715,664
Increase (Decrease) from Prior Measurement Date	\$ (737,825)
Prior Year Proportion (%) of Net Pension Liability	1.002470%
Increased (Decrease) in Proportion (%) of the Net Pension Liability	0.186933%
Penson Expense	\$ 56,994

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions (continued)

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the reported measurement dates. In addition, the Market's allocation of the net pension liability was based on the Market's projected contribution effort to the Retirement System for the next fiscal year as compared to the total of projected contributions of all participants, actuarially determined.

At December 31, 2024, the Market reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2024</u>	
	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience	\$ 169,129	\$ -
Net difference between projected and actual earnings on pension plan investments	201,946	-
Changes in assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	124,075	567,347
Contributions made subsequent to measurement date	396,470	-
	<u>\$ 891,620</u>	<u>\$ 567,347</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

The Market recognized in pension expense its proportionate share of the Retirement System's change in net pension liability as follows:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided in the pension plan.

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided in the pension plan.

Changes in the Market's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in Market's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided in the pension plan.

Differences between contributions remitted to the Retirement System during the measurement period and the employer's proportionate share of contributions are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided in the pension plan.

Deferred outflows of resources resulting from the Market's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025 in the amount of \$396,470. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ (59,752)
2026	(30,566)
2027	53,859
2028	(35,738)
Total	<u>\$ (72,197)</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Actuarial Assumptions

The total net pension liability in the January 1, 2024 actuarial valuation of the Retirement System were determined using the following actuarial assumptions:

<u>Actuarial Cost Method</u>	<u>Entry Age Actuarial Cost Method</u>
Investment Rate of Return:	7.25% net of investment expense, including inflation
Projected Salary Increases:	Age-based annual rates ranging from 3.2% to 10%
	Healthy Pre-Retirement: PubG-2010 Employee Mortality Tables, amount-weighted, projected generationally with Scale MP-2020
	Healthy Post-Retirement: PubG-2010 General Healthy Retiree Tables, amount-weighted, projected generationally with Scale MP-2020
	Disabled: PubNS-2010 Non-Safety Disabled Retiree Tables, amount-weighted, projected generationally with Scale MP-2020.
Mortality Rates:	
Retirement Age Assumptions:	Based on results of 2011-2016 Actuarial Experience Study
Expected Remaining Service Lives:	4 years (8 years for periods prior to 2019)
Cost of Living Adjustment:	The present value of future retirement benefits is based on benefits currently being paid and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees as they were deemed not to be substantively automatic.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on the Retirement System's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The best estimates of arithmetic real rates of return for each major asset class based on the Retirement Systems' target asset allocation as of the measurement periods ending December 31, 2023 were as follows:

<u>Asset Class (12/31/2023)</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighted Rate of Return</u>
Cash Equivalents	2.0%	1.00%	0.02%
Domestic Equity	42.5%	6.60%	2.81%
International equity	14.0%	7.16%	1.00%
Fixed income	22.0%	1.96%	0.43%
Real estate	5.0%	3.40%	0.17%
Hedge Funds and GTAA	9.5%	3.00%	0.29%
Private investments	5.0%	9.90%	0.50%
Total	<u>100.0%</u>		<u>5.21%</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Pension Plan (continued)

Actuarial Assumptions (continued)

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, taking into consideration the recommendation of the Retirement System's actuary. Based on these assumptions, the Retirement System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Market's proportionate share of the net pension liability to changes in the discount rate

The following presents the Market's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Market's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

<u>Year</u>	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
2024	\$ 3,744,362	\$ 2,977,839	\$ 2,338,531

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement System of the City of New Orleans' financial report.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. Other Postemployment Benefits

General Information about the OPEB Plan

Plan description – The City of New Orleans (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of New Orleans's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical benefits are provided through a self-insured comprehensive health benefit program. Full details are contained in the official plan documents. Medical benefits are provided to employees upon actual retirement (that is, at the end of the DROP period, if applicable) according to the retirement eligibility provisions of the System by which the employee is covered. Most City employees are covered by one of three primary systems: The Employees' Retirement System of the City of New Orleans (NOMERS), the Louisiana State Municipal Police Retirement System (MPRS), and the New Orleans Firefighters' Pension and Relief Fund (NOFF). The maximum DROP period is five years in NOMERS and NOFF and three years in MPRS. Retirement (DROP entry) eligibility is as follows: in NOMERS, the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 20 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80); in MPRS, the earlier of 25 years of service and age 50 and 20 years of service (in MPERS, DROP entry requires age 55 and 12 years of service or 20 years of service and eligibility to retire); in NOFF, age 50 and 12 years of service. However, because of the "back-loaded" benefit formula in the NOFF plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service to reflect the actual patterns of retirement and DROP entry in that system. For firefighters hired after August 15, 2016, the minimum age for DROP entry/retirement eligibility is the Social Security maximum retirement age less 10 years.

Employees covered by benefit terms – As of the measurement date December 31, 2023, there are only 28 active employees who were covered by the benefit terms,

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. Other Postemployment Benefits (continued)

Total OPEB Liability

The City's total OPEB liability is \$794,446 as of the measurement date December 31, 2023, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.72% annually (Beginning of Year to Determine ADC) 3.26%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for 10 years, 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2023.

Changes in Total OPEB Liability

Balance at December 31, 2022	\$ 744,668
Changes for the year:	
Service cost	10,377
Interest	26,734
Differences between expected and actual experience	24,343
Changes of assumptions	40,366
Benefit payments	<u>(52,042)</u>
Net changes	<u>49,778</u>
Balance at December 31, 2023	<u><u>\$ 794,446</u></u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. Other Postemployment Benefits (continued)

Changes in Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

<u>Year</u>	<u>1.0% Decrease (2.26%)</u>	<u>Current Discount Rate (3.26%)</u>	<u>1.0% Increase (4.26%)</u>
2024	\$ 719,522	\$ 794,446	\$ 499,520

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

<u>Year</u>	<u>1.0% Decrease (4.50%)</u>	<u>Current Discount Rate (5.50%)</u>	<u>1.0% Increase (6.50%)</u>
2024	\$ 511,575	\$ 794,446	\$ 704,889

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense of \$-2,454. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 65,291	\$ (26,006)
Change in assumptions	140,240	(139,358)
	<u>\$ 205,531</u>	<u>\$ (165,364)</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. Other Postemployment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31:</u>	<u>Amount</u>
2025	\$ 12,477
2026	12,475
2027	(12,256)
2028	(9,758)
2029	16,073
Thereafter	21,156
Total	<u>\$ 40,167</u>

7. Restricted and Unrestricted Net Position

Restricted board designated net position consisted of the following as of December 31, 2024:

<u>Restricted</u>	
Net investment in capital assets	\$ 19,772,219
Capital grant from City of New Orleans	8,000,000
	<u>\$ 27,772,219</u>

Unrestricted board designated net position consisted of the following as of December 31, 2024:

<u>Unrestricted</u>	
Revenue reserves	\$ 6,406,466
On-going and future capital projects	3,533,493
Insurance reserves	1,220,283
Total	<u>\$ 11,160,242</u>

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

8. Related Party Transactions

The lease and franchise agreement between the Market and the City, which ends on December 31, 2050, requires an annual lease payment equal to the greater of \$100,000 or 20% of the net adjusted revenues of certain properties. As of December 31, 2024, the Market included in due to governmental agencies is \$200,000.

The City of New Orleans prepares and processes the payroll of the Market through the City of New Orleans payroll process. The Market reimburses the payroll expense monthly. As of December 31, 2024, the Market included in due to governmental agencies is \$246,535 for reimbursement of payroll expenses.

	<u>2024</u>
Due to City for rent of French Market Properties	\$ 200,000
Due to City for reimbursement of payroll costs	<u>246,535</u>
	<u>\$ 446,535</u>

9. Risk Management

The Market is exposed to various risks of loss to torts; theft of; damage to and destruction of assets for which the Market carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

9. Parking Agreement

Effective February 1, 2020, the Market outsourced the parking operations through a management and operating agreement with a third party. The management and operating agreement is for an initial term of one year with up to four additional consecutive one-year extensions at the Market's sole option. The agreement includes a fixed fee payable to the Market of \$26,000 monthly and an additional annual payment based on exceeding gross revenues in the amount of \$210,000. The Market has a receivable in the amount of \$221,963 as of December 31, 2024.

10. Hurricane Ida Impact

On August 29, 2021, Hurricane Ida struck the Louisiana gulf coast causing considerable damage to the Greater New Orleans area and the temporary relocation of some of the population of Orleans Parish and the surrounding areas. The Market experienced damage from Hurricane Ida to three of its buildings (Building E, Building C, and the Upper Pontalba Building (UPB)). Due to the damage to Building E the administrative office relocated in 2023 to two vacant commercial spaces at the UPB. Due to the power outages sustained during Hurricane Ida, the Market remained closed for approximately three weeks. The Market also experienced a loss of percentage and advertising rent due to the closures in 2022 and 2021.

FRENCH MARKET CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

11. Commitment and Contingencies

In March 2024, The Market entered into an agreement with a contractor in the amount of \$6,633,000 for repairs and improvements to Building E. As of December 31, 2024, approximately \$2,500,000 of work related to the contract had been completed. The remaining balance in the amount of \$4,133,000 is expected to be completed by mid to late 2025.

12. Prior Period Adjustment

During the year ended December 31, 2024, the Market discovered that the previously issued 2023 financial statements had overstated the net position related to other postemployment benefits (OPEB) by \$756,733 on the statement of revenues, expenses, and changes in net position for the year ended December 31, 2023. In addition, the financial statements understated the net OPEB liability by \$744,668, understated deferred outflows of resources by \$188,731, and understated deferred inflows of resources by \$200,796 on the statement of financial position as of December 31, 2023. The Market has restated these financial statements, including the related impact on the statement of cash flows, within the accompanying financial statements.

13. Subsequent Event

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 9, 2025, and determined that no events require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

FRENCH MARKET CORPORATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Employers Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2024	\$ 241,710	\$ 396,470	\$ 1,425,969	27.804%
2023	\$ 270,361	\$ 351,547	\$ 1,489,482	23.602%
2022	\$ 262,124	\$ 329,238	\$ 1,525,966	21.576%
2021	\$ 275,202	\$ 278,605	\$ 1,558,684	17.874%
2020	\$ 313,123	\$ 404,785	\$ 2,045,542	19.789%
2019	\$ 418,792	\$ 404,785	\$ 1,876,188	21.575%
2018	\$ 487,207	\$ 442,237	\$ 1,907,005	23.190%
2017	\$ 400,282	\$ 400,282	\$ 1,721,495	23.252%
2016	\$ 424,950	\$ 424,950	\$ 1,887,647	22.512%
2015	\$ 376,012	\$ 401,501	\$ 1,665,393	24.108%

Note: Employer's covered employee payroll amount represents the amount from the 2024 year.

See independent auditor's report on required supplementary information.

FRENCH MARKET CORPORATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	0.815537%	1.002470%	1.072067%	1.147950%	1.367907%	1.459727%	1.739063%	1.739063%	1.707800%	1.780780%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,977,839	\$ 3,715,664	\$ 2,828,051	\$ 3,279,674	\$ 4,160,820	\$ 4,271,384	\$ 4,137,911	\$ 4,442,786	\$ 3,981,606	\$ 3,017,097
Employees Covered- Employee Payroll	\$ 1,425,969	\$ 1,489,482	\$ 1,525,966	\$ 1,558,684	\$ 2,045,542	\$ 1,876,188	\$ 2,008,696	\$ 1,721,495	\$ 1,887,647	\$ 1,665,393
Employer's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	208.83%	249.46%	185.33%	210.41%	203.41%	227.66%	206.00%	258.08%	210.93%	181.16%
Plan Fiduciary Net Position as a Percentage of total Pension Liability	55.85%	53.25%	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%	60.26%	68.26%

See independent auditor's report on required supplementary information.

FRENCH MARKET CORPORATION
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024

OPEB Expenses

	2023
Service cost	\$ 10,377
Interest	26,734
Changes of benefit terms	-
Differences between expected and actual experience	24,343
Changes of assumptions	40,366
Benefit payments	<u>(52,042)</u>
Net change in total OPEB liability	49,778
 Total OPEB liability - beginning	 744,668
 Total OPEB liability - ending (a)	 \$ 794,446
 Covered-employee payroll	 \$ 295,096,259
 Net OPEB liability as a percentage of covered-employee payroll	 0.27%
 Notes to Schedule:	
<i>Benefit Change:</i>	None
<i>Changes of Assumptions:</i>	
<i>Discount Rate:</i>	3.26%
<i>Mortality:</i>	RP-2000
<i>Trend:</i>	4.5% to 5.5%

Note: GASB 75 requires this schedule to show information for 10 years. The Market implemented GASB 75 during the 2023 fiscal year. Therefore, additional years will be displayed as they become available.

See independent auditor's report on required supplementary information.

FRENCH MARKET CORPORATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

Changes in Benefit Terms

There were no changes of benefits terms for the year ended December 31, 2024.

Changes in Assumptions

There were no changes of benefits assumptions for the year ended December 31, 2024.

OTHER SUPPLEMENTARY INFORMATION

FRENCH MARKET CORPORATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

	Leslie Alley, Executive Director	Kathleen Guidry, Executive Director
<u>Agency Head Name:</u>		May 8, 2024 -
<u>Effective date:</u>	January 1, 2024 - May 7, 2024	December 31, 2024
Salary	\$ 43,027	\$ 120,332
Benefits - Health Insurance	2,423	6,923
Benefits - Retirement	7,809	21,340
Workers Compensation	81	231
Benefits - Life Insurance	24	68
Benefits - FICA & Medicare	3,167	8,969
Terminal leave	35,604	-
	<u>\$ 92,135</u>	<u>\$ 157,863</u>

See accompanying independent auditor's report



**INDEPENDENT AUDITOR’S 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***

The Board of Directors
French Market Corporation
(A Proprietary Component Unit of the City of New Orleans)
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 business-type activities, of the French Market Corporation (the Market) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Market’s basic financial statements, and have issued our report thereon dated June 9, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Market’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Market’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Market’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 and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Market's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Richard CPAS

Metairie, Louisiana
June 9, 2025

FRENCH MARKET CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

1. Summary of Independent Auditor's Results

Financial Statements

- (a) The type of report issued on the basic financial statements: **Unmodified.**
- (b) Internal control over financial reporting:
- Material weakness(es) identified: **None reported.**
- Significant deficiency(ies) identified: **None reported.**
- (c) Noncompliance which is material to the basic financial statements: **None reported.**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None reported.

FRENCH MARKET CORPORATION
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024



FRENCH MARKET CORPORATION
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024

FRENCH MARKET CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of French Market Corporation and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024, through December 31, 2024. French Market Corporation's (the Market) management is responsible for those C/C areas identified in the SAUPs.

The Market 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 fiscal period January 1, 2024, through December 31, 2024. 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 we performed, and the associated results are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Market 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 the Market 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.

Richard CPAS

Metairie, Louisiana
June 9, 2025

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2024

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*No exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) *Written Policies and Procedures*

- A. 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:

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

ii. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

iii. Disbursements, including processing, reviewing, and approving.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

iv. 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).

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

v. 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(s) rate of pay or approval and maintenance of pay rate schedules.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2024

vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

viii. Credit Cards (and debit cards, fuel cards, P-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).

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

ix. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

xi. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

FRENCH MARKET CORPORATION

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2024

xii. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

2) Board or Finance Committee

A. 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:

i. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

iii. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

iv. 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.

N/A – procedure was not tested due to 2-year testing cycle, as approved by the LLA.

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3) *Bank Reconciliations*

A. 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Exceptions noticed. The April 2024 bank reconciliation for two bank accounts weren't prepared within two months of the related statement closing date.

ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged);

No exceptions were found as a result of this procedure.

iii. 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.

No exceptions were found as a result of this procedure.

4) *Collections (excluding electronic funds transfers)*

A. 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 5 deposit sites (or all deposit sites if less than 5).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

B. 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., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

i. Employees responsible for cash collections do not share cash drawers/registers.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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- ii.* 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii.* Each employee responsible for collecting cash is not 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv.* The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under “Bank Reconciliations” above (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). *Alternately, 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 10 deposits and:

- i.* Observe that receipts are sequentially pre-numbered.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii.* Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii.* Trace the deposit slip total to the actual deposit per the bank statement.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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- iv.* Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- v.* Trace the actual deposit per the bank statement to the general ledger.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A.** 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 5).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B.** For each location selected under #5A 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i.* At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii.* At least two employees are involved in processing and approving payments to vendors.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii.* 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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- iv.* 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- v.* 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. For each location selected under #5A 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 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- i.* Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii.* Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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, and (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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the person who maintained possession of the cards. Obtain management's representation that the listing is complete.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) 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:

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

ii. Observe that finance charges and late fees were not assessed on the selected statements.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. Using the monthly statements or combined statements selected under #6B 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. 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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

iii. Observe 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 #1A(vii); and

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

8) Contracts

A. 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

i. 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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- ii.* Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii.* If the contract was amended (e.g., change order), observe 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, was approval documented).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv.* Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- i.* Observe 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.]

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii.* Observe whether supervisors approved the attendance and leave of the selected employees or officials.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii.* Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv.* Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- D. 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i.* Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii.* Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

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FOR THE YEAR ENDED DECEMBER 31, 2024

11) *Debt Service*

- A. 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. 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).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

12) *Fraud Notice*

- A. 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Observe 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

13) *Information Technology Disaster Recovery/Business Continuity*

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i.* Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii. 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #91A, 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 training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

14) *Prevention of Sexual Harassment*

- A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe 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.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Observe 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

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website).

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. 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 it includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

ii. Number of sexual harassment complaints received by the agency;

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

v. Amount of time it took to resolve each complaint.

N/A – procedure was not tested due to 2-year testing cycle, approved by the LLA.

FRENCH MARKET CORPORATION

MANAGEMENT'S RESPONSE

FOR THE YEAR ENDED DECEMBER 31, 2024

3) Bank Reconciliations

The Market concurs with the observation and will implement procedures to ensure bank reconciliations are prepared within two months.