

**ANNUAL FINANCIAL REPORT**  
**NEW ORLEANS MUNICIPAL YACHT**  
**HARBOR MANAGEMENT CORPORATION**  
**(A Proprietary Component Unit of the City of New Orleans)**  
**NEW ORLEANS, LOUISIANA**  
**AS OF AND FOR THE YEARS ENDED**  
**DECEMBER 31, 2021 AND 2020**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

**CONTENTS**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b><u>FINANCIAL SECTION</u></b>		
<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....		1 – 4
<b><u>REQUIRED SUPPLEMENTARY INFORMATION (PART 1)</u></b>		
Management’s Discussion and Analysis (Unaudited) .....		5 – 7
<b><u>BASIC FINANCIAL STATEMENTS</u></b>		
Statements of Net Position.....	A	8
Statements of Revenues, Expenses and Changes in Net Position .....	B	9
Statements of Cash Flows.....	C	10
<b>NOTES TO FINANCIAL STATEMENTS</b> .....		11 – 20
<b><u>OTHER SUPPLEMENTARY INFORMATION</u></b>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head .....	D	21
<b><u>OTHER REPORT REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i></u></b>		
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		22 – 23
Schedule of Findings and Responses .....		24
Summary Schedule of Prior Year Findings.....		25



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
New Orleans Municipal Yacht Harbor Management Corporation  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the New Orleans Municipal Yacht Harbor Management Corporation (“MYHMC”), a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the MYHMC’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 MYHMC, as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the MYHMC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Commissioners of  
New Orleans Municipal Yacht Harbor Management Corporation  
(A Proprietary Component of the City of New Orleans)  
June 24, 2022

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 MYHMC'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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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



To the Board of Commissioners of  
New Orleans Municipal Yacht Harbor Management Corporation  
(A Proprietary Component of the City of New Orleans)  
June 24, 2022

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the MYHMC'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 5 through 7 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 MYHMC's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and is also 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.



**ERICKSEN KRENTEL** LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of  
New Orleans Municipal Yacht Harbor Management Corporation  
(A Proprietary Component of the City of New Orleans)  
June 24, 2022

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head, are 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 24, 2022, on our consideration of the MYHMC'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 MYHMC'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 New Orleans Municipal Yacht Harbor Management Corporation's internal control over financial reporting and compliance.

June 24, 2022  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

As the financial manager of the New Orleans Municipal Yacht Harbor Management Corporation (MYHMC), we offer the readers of the attached financial statements this narrative overview and analysis of the financial activities of MYHMC for the years ended December 31, 2021 and 2020. This discussion and analysis are designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in MYHMC's financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

MYHMC's financial statements are comprised of the basic financial statements and the notes to the financial statements. Since MYHMC 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 MYHMC's finances in a manner similar to a private-sector business.

The statements of net position present information on all MYHMC's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MYHMC is improving or deteriorating. Net position increases when revenues exceed expenditures. Increases to assets without a corresponding increase to liabilities results in increased net position which indicates an improved financial position.

The statements of revenues, expenditures and changes in net position present information showing how MYHMC's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures 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).

The cash flows statements show how MYHMC's changes in net position affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. The statements capture both the current operating results and the accompanying changes in net position. The cash flows statements include only inflows and outflows of cash and cash equivalents.

**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.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**FINANCIAL HIGHLIGHTS**

MYHMC's assets exceeded liabilities by \$3,878,573 and \$3,391,511 as of December 31, 2021 and 2020, respectively; this represents an increase of \$487,062 in 2021. The unrestricted net positions were \$2,727,827 and \$2,687,626 at December 31, 2021 and 2020, respectively.

Total assets increased by approximately \$212,000 from 2021 to 2020. The net increase is mostly made up of increases in infrastructure leasehold improvements of approximately \$171,000 and an increase in cash and cash equivalents of approximately \$19,000 and prepaid expenses of approximately \$46,000.

Total liabilities decreased by approximately \$275,000 in 2021. As described in Note 11 to the financial statements, the MYHMC entered into a CEA with the City of New Orleans to provide the City with \$300,000 of reimbursements for non-FEMA eligible costs. This amount was recorded as due to the City of New Orleans at December 31, 2020 and repaid in 2021.

The largest part of MYHMC's net position is held in cash and cash equivalents as the assets operated by MYHMC are owned by the City of New Orleans and leased to MYHMC.

MYHMC's total net position at December 31, 2021 increased by \$487,062 or 14% from the net position as measured on December 31, 2020. The increase in net position is primarily due to the completion of portions of projects to repair and replace boat slips damaged by Hurricanes Katrina and Isaac. Slip rental revenues increased from approximately \$480,000 in 2020 to nearly \$800,000 in 2021 due to the improvements to the harbor.

Operating expenditures increased by approximately \$187,000 or 22%. The major contributors to the increase in expenses were insurance costs and professional service costs in connection with the expanded offerings the MYHMC had in 2021.

**BUDGETARY HIGHLIGHTS**

MYHMC adopts an annual operating budget and an annual capital budget. The operating budget includes proposed expenditures and the means of financing them. MYHMC's operating budget remains in effect for the entire year.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital assets, net of depreciation were \$1,150,746 and \$1,003,885 as of December 31, 2021 and 2020, respectively. Capital assets consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Vehicles	\$ 18,169	\$ 18,169
Leasehold improvements	9,119	9,119
Office furniture & fixtures	20,729	20,729
Infrastructure leasehold improvements	1,089,016	917,621
Boathouse	<u>100,000</u>	<u>100,000</u>
Total cost	<u>\$ 1,237,033</u>	<u>\$ 1,065,638</u>

The renovations to the MYHMC as a result of the damage made by hurricanes Katrina and Isaac continue. Infrastructure leasehold improvements totaled \$171,395 for the year ended December 31, 2021. Depreciation expense was \$24,534 and \$16,135 for the years ended December 31, 2021 and 2020, respectively.

**ECONOMIC FACTORS AND A LOOK AT NEXT YEAR**

MYHMC expects to continue generating most of its revenues through rental of slips and boathouses in 2022. Boat Slip occupancy will continue to grow and is projected to be in the mid 90% range by year end 2022. Due to increased insurance and other operating costs a proposed rate increase of 10-15% may go into effect for 2023.

The recreational marine industry is strong and boat sales and use are up throughout the region. This will result in steady slip occupancy and increased transient usage.

During 2022 MYHMC expects continued capital expenditures for enhancements of the areas under MYHMC management including West End Park, The Boat Launch, The Point, and the Marina.

MYHMC plans to use positive cash flows of the entity to fund reserve accounts for dredging, insurance losses, and replacements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of MYHMC's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the New Orleans Municipal Yacht Harbor Management Corporation's Executive Director at 401 North Roadway, New Orleans, Louisiana 70124.

## **BASIC FINANCIAL STATEMENTS**

**MUNICIPAL YACHT HARBOR MANAGEMENT CORPORATION**  
**(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**  
**STATEMENTS OF NET POSITION**  
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash and cash equivalents	\$ 2,815,680	\$ 2,796,640
Accounts receivable, net of allowance	3,041	3,038
Prepaid expenses	<u>114,791</u>	<u>68,696</u>
Total current assets	<u>2,933,512</u>	<u>2,868,374</u>
<b><u>NONCURRENT ASSETS:</u></b>		
Capital assets, net of accumulated depreciation	1,150,746	1,003,885
Security deposits	<u>4,500</u>	<u>4,050</u>
Total noncurrent assets	<u>1,155,246</u>	<u>1,007,935</u>
Total assets	<u>4,088,758</u>	<u>3,876,309</u>
<b><u>CURRENT LIABILITIES:</u></b>		
Accounts payable	100,600	2,596
Accrued expenses	7,260	5,435
Due to City of New Orleans	-	300,000
Accrued payroll liabilities	79,669	157,527
Unearned revenue	12,656	4,240
Rental deposits	<u>10,000</u>	<u>15,000</u>
Total current liabilities	<u>210,185</u>	<u>484,798</u>
<b><u>NET POSITION:</u></b>		
Net investment in capital assets	1,150,746	703,885
Unrestricted	<u>2,727,827</u>	<u>2,687,626</u>
Total net position	<u>\$ 3,878,573</u>	<u>\$ 3,391,511</u>

**The accompanying notes are an integral part of this statement**

**MUNICIPAL YACHT HARBOR MANAGEMENT CORPORATION**  
**(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN NET POSITION**  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b><u>OPERATING REVENUES:</u></b>		
Rental income - boat houses	\$ 504,479	\$ 504,067
Rental income - slips	795,637	480,819
Other rental income	198,286	115,720
Grant revenue	20,350	-
Miscellaneous income	<u>1,393</u>	<u>281</u>
 Total operating revenues	 <u>1,520,145</u>	 <u>1,100,887</u>
<b><u>OPERATING EXPENSES:</u></b>		
General and administrative	925,665	746,987
Professional services	72,989	74,964
Supplies and materials	10,289	8,282
Depreciation	<u>24,534</u>	<u>16,135</u>
 Total operating expenses	 <u>1,033,477</u>	 <u>846,368</u>
 Operating income	 486,668	 254,519
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>		
Interest income	<u>394</u>	<u>2,966</u>
 Total non-operating revenues (expenses)	 <u>394</u>	 <u>2,966</u>
 Change in net position	 487,062	 257,485
Net position - beginning	<u>3,391,511</u>	<u>3,134,026</u>
Net position - ending	<u>\$ 3,878,573</u>	<u>\$ 3,391,511</u>

**The accompanying notes are an integral part of this statement**

**MUNICIPAL YACHT HARBOR MANAGEMENT CORPORATION**  
**(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from (used by) operating activities:		
Cash received from tenants	\$ 1,523,558	\$ 1,103,002
Cash paid to employees for services	(406,435)	(329,771)
Cash paid to suppliers for goods and services	<u>(627,082)</u>	<u>(499,836)</u>
Net cash from operating activities	<u>490,041</u>	<u>273,395</u>
Cash flows from (used by) capital and related financial activities:		
Payments for capital acquisitions	<u>(171,395)</u>	<u>(3,500)</u>
Net cash (used by) capital and related financial activities	<u>(171,395)</u>	<u>(3,500)</u>
Cash flows from investing activities:		
Cash received for interest	<u>394</u>	<u>2,966</u>
Net cash from investing activities	<u>394</u>	<u>2,966</u>
Cash flows from (used by) financing activities:		
Repayment of due to City for leasehold improvements	(300,000)	-
Cash paid for principal		(505,134)
Cash paid for interest	<u>-</u>	<u>(46,218)</u>
Net cash (used by) financing activities	<u>(300,000)</u>	<u>(551,352)</u>
Net (decrease) increase in cash and cash equivalents	19,040	(278,491)
Cash and cash equivalents at beginning of year	<u>2,796,640</u>	<u>3,075,131</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,815,680</u></u>	<u><u>\$ 2,796,640</u></u>
Reconciliation of change in operating income to net cash flows from operating activities:		
Change in operating income	\$ 486,668	\$ 254,519
Adjustments to reconcile change in operating income to net cash from (used by) by operating activities:		
Depreciation	24,534	16,135
(Increase) decrease in operating assets:		
Accounts receivable	(3)	375
Prepaid expenses	(46,095)	(22,503)
Security deposits	(450)	-
Increase (decrease) in operating liabilities:		
Accounts payable	98,004	(6,245)
Accrued expenses	1,825	3,282
Accrued payroll liabilities	(77,858)	27,292
Unearned revenue	8,416	1,740
Rental deposits	<u>(5,000)</u>	<u>(1,200)</u>
Net cash from operating activities	<u><u>\$ 490,041</u></u>	<u><u>\$ 273,395</u></u>
Non-cash investing and financing activities:		
Recognition of due to City in exchange for leasehold improvements	<u>-</u>	<u>300,000</u>
	<u><u>\$ -</u></u>	<u><u>\$ 300,000</u></u>

**The accompanying notes are an integral part of this statement**

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The New Orleans Municipal Yacht Harbor Management Corporation (MYHMC) was formed in 1972 by the City of New Orleans to operate the Municipal Yacht Harbor in the manner comparable to that of a private business enterprise; to provide a safe and secure environment for recreational boating; to ensure that the cost associated with providing services to the general public are financed or recovered through user fees and charges; and to place an emphasis on generating a sufficient amount of net operating revenues to be used for maintenance and capital improvement projects. The City has financial accountability because it appoints a voting majority of the Board and can impose its will on the organization. MYHMC is a non-profit corporation owned by the Mayor of the City of New Orleans and administered by a Board of Directors consisting of 11 members, 9 of which are appointed by the Mayor, subject to City Council approval, and are voting members. The other two members are from the City Council and are non-voting members.

**Reporting Entity**

As governing authority of Orleans Parish, for reporting purposes, the City of New Orleans (City) is the financial reporting entity. The financial reporting entity consists of the primary government (the City of New Orleans), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity, established criteria for determining which component units should be considered part of the City of New Orleans for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. These criteria includes:

- (1) Appointing a voting majority of an organization's governing body, and
  - (a) the ability of the primary government to impose its will on that organization and/or;
  - (b) the potential to provide specific financial benefits to or impose specific financial burdens on that organization.
- (2) Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
- (3) Organizations for which the reporting entity's financial statements would be misleading if data of the organization was not included.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

Based on the above criteria, MYHMC is considered to be a component unit of the City of New Orleans, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by MYHMC and do not present information on the City of New Orleans, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Basis of Presentation**

MYHMC follows the provisions of Governmental Accounting Standards Board Statement No. 34, “Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments.” Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of revenues, expenditures and changes in net position, and a statement of cash flows. It requires the classification of net position into three components: invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- *Invested in capital assets, net of related debt* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings 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 are 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 net position* – This component of net position consists of 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.
- *Unrestricted net position* – 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.”

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

The term basis of accounting is used to determine when a transaction or event is recognized on MYHMC's statement of revenues, expenses, and changes in net position. MYHMC used 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.

**Use of Estimates**

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

**Cash and Cash Equivalents**

MYHMC is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. MYHMC may also invest in U.S. Treasury securities and other evidence of indebtedness issued or guaranteed by federal agencies and time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

The MYHMC's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Accounts Receivable**

It is the practice of management to provide an allowance for any account in which management's opinion may not be collected based upon a review of the current status of existing receivables. Accounts receivable are shown net of an allowance for uncollectible accounts of \$1,918 and \$5,792 for the years ended December 31, 2021 and 2020, respectively.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets are carried at cost, if purchased or at fair market value at the date of the gift, if donated. Depreciation of capital assets is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When capital assets are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful Lives</u>
Leasehold improvements	2 years
Vehicle	5 years
Safety equipment	7 years
Furniture and fixtures	7 years
Infrastructure leasehold improvements	20 - 40 years

**Annual and Sick Leave**

Employees may accrue a maximum of 45 days of annual leave and an unlimited number of days of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon his or her 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 leave to additional days of service. Accrued leave as of December 31, 2021 and 2020 was \$73,124 and \$126,088, respectively.

**Income Taxes**

MYHMC is owned by the Mayor of the City of New Orleans, and as such, no federal or state income taxes are assessed.

**Date of Management's Review**

Management has evaluated subsequent events through June 24, 2022, the date which the financial statements were available to be issued.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(2) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are included in the statements of net position as of December 31, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Non-interest-bearing demand deposits	<u>\$2,815,680</u>	<u>\$2,796,640</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Custodial credit risk is the risk that in the event of a failure of financial institution or counterparty, MYHMC would not be able to recover its deposits, investments, or collateral securities that are in the possession of an outside party.

The market values 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.

As of December 31, 2021 and 2020, MYHMC had \$2,812,192 and \$2,846,485, respectively, in deposits (collected bank balances). December 31, 2021 and 2020 bank balance, \$2,562,192 and \$2,596,458, respectively, were covered by collateral held by the pledging banks' trust department or agent in MYHMC's name and \$250,000 was covered under federal depository insurance, in each year.

**(3) CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Balance at January 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2021</u>
Vehicles	\$ 18,169	\$ -	\$ -	\$ 18,169
Leasehold improvements	9,119	-	-	9,119
Office furniture & fixtures	20,729	-	-	20,729
Infrastructure leasehold improvements	917,621	171,395	-	1,089,016
Boathouse	100,000	-	-	100,000
Accumulated depreciation	<u>(61,753)</u>	<u>(24,534)</u>	<u>-</u>	<u>(86,287)</u>
 Total capital assets, net	 <u>\$ 1,003,885</u>	 <u>\$ 146,861</u>	 <u>\$ -</u>	 <u>\$ 1,150,746</u>

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(3) CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at January 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2020</u>
Vehicles	\$ 18,169	\$ -	\$ -	\$ 18,169
Leasehold improvements	9,119	-	-	9,119
Office furniture & fixtures	20,729	-	-	20,729
Infrastructure leasehold improvements	614,121	303,500	-	917,621
Boathouse repossessed	100,000	-	-	100,000
Accumulated depreciation	<u>(45,618)</u>	<u>(16,135)</u>	<u>-</u>	<u>(61,753)</u>
Total capital assets, net	<u>\$ 716,520</u>	<u>\$ 287,365</u>	<u>\$ -</u>	<u>\$ 1,003,885</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$24,534 and \$16,135, respectively. On February 1, 2019, MYHMC was granted possession of a Boathouse due to non-payment of rent. The Boathouse is included in the Capital assets of MYHMC at the insured cost of the boathouse, which approximates fair value.

At December 31, 2021 and 2020, infrastructure leasehold improvements of \$147,680 and \$420,214, respectively, were not yet placed in service.

**(4) RISK MANAGEMENT**

MYHMC is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets for which MYHMC 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. Management believes MYHMC has adequate insurance coverage.

**(5) PENSION PLAN**

The City of New Orleans annually charges MYHMC for pension costs incurred by its retirement system. Pension costs for the year ended December 31, 2021 and 2020 were \$40,688 and \$47,731, respectively. Employees of MYHMC are allowed to participate in the City of New Orleans Employees' Retirement System (the System) and MYHMC is allocated a percentage of the costs annually by the City.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(5) PENSION PLAN (CONTINUED)**

The System does not make separate measurements of assets and pension liabilities for individual entities such as MYHMC and the actuarial/financial information as of December 31, 2021 and 2020 for the System was not available at the date of the report issuance. The City of New Orleans and MYHMC do not guarantee the benefits granted by the retirement system. Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report.

The report may be obtained via contact with City of New Orleans Employee's Retirement System, 1300 Perdido Street, Room IE12, New Orleans, LA 70112. Telephone: (504) 658-1850; Fax: (504) 658-1602.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27. GASB 68 requires governments providing defined benefit plans to report the net pension liability in their statement of net position. This net pension liability is the difference between the present value of the pension liability and the fair value of pension assets, set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. Due to the lack of separate measurements as described above, beginning January 1, 2016, GASB 68 has not been adopted on MYHMC's financial statements.

**(6) OTHER POST-EMPLOYMENT BENEFITS**

Other post-employment benefits are incurred and paid by the City of New Orleans; therefore, MYHMC does not accrue a liability related to those benefits.

**(7) MINIMUM FUTURE RENTALS**

MYHMC has entered into rental agreements which require the tenants to pay the Corporation monthly rental payments. These operating leases expire in various years through the year 2077. The rental income on the boathouse leases will increase periodically based on the Consumer Price Index, which is unknown at this time, and therefore not included in the minimum future rental income.

Minimum future rental to be received under the various operating leases as of December 31, 2021 for each of the next five years:

2022	\$	561,300
2023		561,300
2024		562,900
2025		566,100
2026		<u>566,100</u>
	<u>\$</u>	<u>2,817,700</u>

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(8) REVENUE BOND PAYABLE**

On February 8, 1982, MYHMC issued the United States Department of Commerce, National Oceanic and Atmospheric Administration (“NOAA”), Revenue Bonds, 1981 Series, of MYHMC in the amount of \$3,580,134, bearing interest at a rate of 6% per annum and maturing over a period of thirty (30) years. The bond was issued to construct and acquire extensions, renovations and improvements to the New Orleans Municipal Yacht Harbor, in the City of New Orleans, all to the benefit of the citizens of the City. Principal and interest on the bonds are payable semi-annually on January 25 and July 25.

MYHMC defaulted on the bonds in 2009 and was granted forbearance on the remaining principal and interest payments in early 2010. At December 31, 2019, MYHMC was not in compliance with requirements of the revenue bond covenants and MYHMC recorded the principal and interest due to NOAA in temporarily restricted assets.

During 2020, MYHMC received final resolution of the Federal Emergency Management Agency (“FEMA”) claim and repaid its debt to the NOAA in full. Repayments amounted to \$505,134 in principal and \$46,218 in interest.

**(9) OPERATING LEASE**

MYHMC leases certain immovable property on the shores of Lake Pontchartrain in the Seventh District of the City of New Orleans, together with all of the buildings, improvements and component parts thereof and all rights, ways, privileges, servitudes, prescriptive rights and advantages. The lease expires in 2105. Minimum future rental payments under this lease as of December 31, 2021 are \$1 per year for the next 85 years.

**(10) RELATED PARTY PAYABLES**

MYHMC owes the City of New Orleans \$6,545 and \$31,439 as of December 31, 2021 and 2020, respectively for payroll liabilities. The balances are included in accrued payroll liabilities on the statements of net position. MYHMC also reimburses the City of New Orleans for their portion of the defined benefit pension plan, which totaled \$40,688 and \$47,731 for the years ended December 31, 2021 and 2020, respectively.

**(11) COOPERATIVE ENDEAVOR AGREEMENTS**

In August of 2013, MYHMC entered into a Cooperative Endeavor Agreement (“CEA”) with the City of New Orleans to reimburse the City 25% for any non-FEMA funded repair costs to the public facilities and infrastructure damage caused by Hurricane Isaac. Management estimates the reimbursement will exceed \$300,000. On May 24, 2019, MYHMC made a reimbursement payment to the City in the amount of \$317,407 to cover its portion of these costs.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(11) COOPERATIVE ENDEAVOR AGREEMENTS (CONTINUED)**

In March of 2020, as a result of assessing the potential need for an additional \$500,000 of non-FEMA reimbursable expenses, the Board of Directors of MYHMC adopted an additional resolution to fund another \$500,000 for Non-FEMA eligible expenses. In May of 2021, the Board of Directors adopted a resolution changing this amount to \$300,000 for non-FEMA eligible expenditures. This amount is recorded as leasehold improvements on the Statement of Net Position. The CEA has a contractual period of three years. The Mayor of the City of New Orleans has been authorized through Ordinance to enter into the contract.

During 2015, MYHMC entered into a CEA with the Department of Wildlife and Fisheries (“DWF”) to receive grant money through the Federal Aid in Sport Fish Restoration Act to be used to renovate the boat launch at West End. Total project cost is estimated to be approximately \$170,400, of which the State will reimburse MYHMC up to 75% of the allowable costs or a maximum of approximately \$127,800. MYHMC is required to provide a 25% match. During the year ended December 31, 2021, MYHMC received final reimbursement of \$20,350 for qualified expenditures under this grant.

**(12) RISKS AND UNCERTAINTIES**

As noted in Note 11, the MYHMC has entered into a CEA to reimburse the City of New Orleans for non-FEMA eligible expenses under the projects related to its leasehold. The eligibility of FEMA expenditures is subject to future audits, which could result in further reimbursements to the city for disallowed costs. The likelihood of an unfavorable outcome for any eventual audits cannot be reasonably estimated at this time and future payments would require a revision to the CEA discussed in Note 11.

**(13) NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 87, “Leases.” The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance*.” The MYHMC plans to adopt this Statement as applicable by the effective date.

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

**(13) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” The primary objective of this Statement is to provide temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides—through GASB Statement No. 93, Replacement of Interbank Offered Rates, and Implementation Guide No. 2019-03, Leases—that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later are deferred by either one year or eighteen months.

**OTHER SUPPLEMENTARY INFORMATION**

**MUNICIPAL YACHT HARBOR MANAGEMENT CORPORATION**  
**(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Agency Head Name: Taylor J. Casey, Executive Director  
 January 1, 2021 through August 31, 2021

Salary	\$ 73,360
Benefits - Insurance	6,230
Benefits - Retirement	<u>10,145</u>
 Total	 <u><u>\$ 89,735</u></u>

Agency Head Name: Bryan Whited, Interim Executive Director  
 September 1, 2021 through December 31, 2021

Salary	\$ 26,335
Benefits - Insurance	2,520
Benefits - Retirement	<u>4,044</u>
 Total	 <u><u>\$ 32,899</u></u>

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



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
New Orleans Municipal Yacht Harbor Management 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 New Orleans Municipal Yacht Harbor Management Corporation (the Corporation) (a proprietary component unit of the City of New Orleans), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 24, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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



To the Board of Directors  
New Orleans Municipal Yacht Harbor Management Corporation  
(A Proprietary Component Unit of the City of New Orleans)  
New Orleans, Louisiana

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 24, 2022  
New Orleans, Louisiana

Certified Public Accountants

**NEW ORLEANS MUNICIPAL YACHT HARBOR MANAGEMENT CORPORATION**  
**(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the New Orleans Municipal Yacht Harbor Management Corporation.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the New Orleans Municipal Yacht Harbor Management Corporation were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended December 31, 2021.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings for the year ended December 31, 2021.

**NEW ORLEANS MUNICIPAL YACHT HARBOR MANAGEMENT CORPORATION**  
**(A PROPRIETARY COMPONENT UNIT OF THE CITY OF NEW ORLEANS)**  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings for the year ended December 31, 2020.

**MANAGEMENT LETTER**

There was no management letter issued for the year ended December 31, 2020.

**NEW ORLEANS MUNICIPAL YACHT HARBOR**  
**MANAGEMENT CORPORATION**  
**NEW ORLEANS, LOUISIANA**  
**LOUISIANA LEGISLATIVE AUDITOR**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**FOR THE PERIOD**  
**JANUARY 1, 2021 THROUGH DECEMBER 31, 2021**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
New Orleans Municipal Yacht Harbor Management Corporation  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. New Orleans Municipal Yacht Harbor Management Corporation's management is responsible for those C/C areas identified in the SAUPs.

New Orleans Municipal Yacht Harbor Management Corporation 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, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

We were engaged by New Orleans Municipal Yacht Harbor Management Corporation 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 New Orleans Municipal Yacht Harbor Management Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

June 24, 2022  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES  
JANUARY 1, 2021–DECEMBER 31, 2021**

***WRITTEN POLICIES AND PROCEDURES***

---

1. **Procedure**: 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:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***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.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***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).
  - e) ***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.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***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).
  - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) ***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.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***WRITTEN POLICIES AND PROCEDURES (CONTINUED)***

---

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** The written policies and procedures entirely address the functions of budgeting, purchasing; disbursements; receipts/collections; payroll/personnel; contracting; credit cards; travel and expense reimbursement; ethics; debt service; and information technology disaster recovery/business continuity. Approval process for pay rates and maintenance of pay rate schedules is not applicable.

***BOARD OR FINANCE COMMITTEE***

---

- 2. **Procedure:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included financial activity relating to public funds if those funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the bylaws and observed that the board/finance committee met with a quorum on a frequency in accordance with the board's bylaws. We observed that the minutes included quarterly budget-to-actual comparisons.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***BANK RECONCILIATIONS***

---

3. **Procedure:** 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:
- a) 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);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. There are no outstanding items more than 12 months from the statement closing date.

***COLLECTIONS***

---

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** The entity has one site where deposits for cash/checks are prepared.

5. **Procedure:** 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:
- a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***COLLECTIONS (CONTINUED)***

---

- c) 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.
- d) 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.

**Results:** The entity has separate employees for collecting cash and reconciling cash documentation. The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger. The employee responsible for reconciling collections is not responsible for collecting cash.

- 6. **Procedure:** 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 enforced during the fiscal period.

**Results:** We obtained a copy of the bond or insurance policy for theft covering all employees who have access to cash and observed that the policy was enforced during the fiscal period.

- 7. **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 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:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***COLLECTIONS (CONTINUED)***

---

**Results:** The related collection documentation was traced to deposit slips. The deposit slip total agrees to the actual deposit per the bank statement. Regular periodic deposits were made after collection. The actual deposit per the bank statement agreed to the general ledger.

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

---

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

**Results:** The entity has one site where payments are processed.

9. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** At least two employees are involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. 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. Either the employee responsible for signing checks mails the payment or gives the signed checks to another employee to mail who is not responsible for processing payments.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

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

---

10. **Procedure:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** The 5 disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

***CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS***

---

11. **Procedure:** 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 persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results:** We obtained the listing of credit cards and representation that the listing is complete. The card is longer active as of the end of the fiscal period.

12. **Procedure:** 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:

- a) 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.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** The monthly statement was reviewed and approved by someone other than the authorized card holder. There were no finance charges and/or late fees assessed on the selected statements.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS (CONTINUED)***

---

13. **Procedure:** Using the monthly statements or combined statements selected under #12 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.

**Results:** The sole transaction was supported by (1) an original itemized receipt that identifies precisely what was purchased, and (2) written documentation of the business/public purpose.

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

---

14. **Procedure:** 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:
- a) 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](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) 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 policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** Not applicable – there were no travel and travel-related expense reimbursements during the fiscal period.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

**CONTRACTS**

---

15. **Procedure:** 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:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) 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).
  - d) 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.

**Results:** There were 4 contracts for the fiscal period. Three were for professional services and one for construction which was bid in accordance with the Louisiana Public Bid Law. Each contract was approved by the board, amendment was in compliance with contract terms, and payments agreed to the invoice, contract terms and conditions.

**PAYROLL AND PERSONNEL**

---

16. **Procedure:** 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.

**Results:** Not applicable. The City of New Orleans maintains payroll and personnel records.

17. **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***PAYROLL AND PERSONNEL (CONTINUED)***

---

- a) 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.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** Not applicable. The City of New Orleans maintains payroll and personnel records.

18. **Procedure:** 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.

**Results:** Not applicable. The City of New Orleans maintains payroll and personnel records.

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

**Results:** Not applicable. The City of New Orleans maintains payroll and personnel records.

***ETHICS***

---

20. **Procedure:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
  - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***ETHICS (CONTINUED)***

---

- b) 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.

**Results:** Each of the 5 employees/officials selected had documentation demonstrating completion of one hour of ethics training during the year. There were no changes to the ethics policy during the year.

***DEBT SERVICE***

---

21. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

**Results:** Not applicable, the entity did not issue bonds/notes during the fiscal period.

22. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** Not applicable, the entity did not have bonds/notes outstanding at the end of the fiscal period.

***FRAUD***

---

23. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** There were no misappropriations of public funds and assets during the fiscal period.

24. **Procedure:** 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.

**Results:** The entity has posted the required notice on the entity's website and at the premises.

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY***

---

25. **Procedure:** Perform the following procedures:

- a) 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.
- b) 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.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** We performed the procedure and discussed the results with management.

***SEXUAL HARASSMENT***

---

26. **Procedure:** 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.

**Results:** Each of the 5 employees/board members selected had documentation demonstrating completion of at least one hour of sexual harassment training during the calendar year.

27. **Procedure:** 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 website).

**Results:** The entity has posted its sexual harassment policy and complaint procedure on its website and on its premises.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;

NEW ORLEANS MUNICIPAL YACHT HARBOR  
MANAGEMENT CORPORATION  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021–DECEMBER 31, 2021

***SEXUAL HARASSMENT (CONTINUED)***

---

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

**Results:** The entity's sexual harassment report for the year was dated before February 1 and included the applicable requirements of R.S. 42:344.