BioDistrict New Orleans

New Orleans, Louisiana

FINANCIAL REPORT

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Board
BioDistrict New Orleans
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 and budgetary comparison information on page 22, 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 District's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head and schedule of schedule of compensation to board members are presented for purposes of additional analysis and are 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 the auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of compensation, benefits and other payments to agency head and schedule of compensation to board of control members 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 30, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, LA
June 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the BioDistrict New Orleans' (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its codification. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

The District's assets exceed its liabilities by $4.36 million, which represent a 25.18% increase from last year.

The District's revenues decreased by $251,563 or 15.18%, principally due to a decrease in the estimated sales tax allocation for 2025.

The District's expenses increased by $466,493 which represents a 750.09% increase due primarily to the initial funding for activities being available in 2025, resulting in an increase in program services and administration expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) required supplementary information.

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

(1) Government-Wide Financial Statements, which include the Statement of Net Position and Statement of Activities. These statements present financial information for all activities of the District from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the District's overall financial status.

(2) Fund Financial Statements, which includes a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the District allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The District's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2025, assets exceeded liabilities by $4,356,835.

The District's net position is "restricted" for the District's program activities. Restricted net positions represent those portions of net positions legally or contractually segregated for a specific future use.

CONDENSED STATEMENTS OF NET POSITION

	2025	2024	Dollar Change	Total % Change
Current assets	**$ 4,432,035**	$ 3,486,548	$ 945,487	27.12%
Total assets	**4,432,035**	3,486,548	945,487	27.12%
Current liabilities	**75,200**	6,210	68,990	1,110.95%
Total liabilities	**75,200**	6,210	68,990	1,110.95%
Net position				
Restricted	**4,356,835**	3,480,338	876,497	25.18%
Total net position	**$ 4,356,835**	$ 3,480,338	$ 876,497	25.18%

The District 's total assets increased by $945,487, which was the result of more cash on hand in 2025 following initial payment of funds owed by the City of New Orleans. Total liabilities increased by $68,990 due to an increase in program activity as the District received initial funding.

Governmental activities increased the District's net position by $3,679,889. Key elements of this increase are as follows:

CONDENSED STATEMENTS OF ACTIVITIES

	2025	2024	Dollar Change	Total % Change
Revenues:				
Intergovernmental revenue	**$ 1,405,182**	$ 1,656,745	$ (251,563)	-15.18%
Total revenues	**1,405,182**	1,656,745	(251,563)	-15.18%
Expenses:				
Administration	**109,015**	6,210	102,805	1,655.48%
Communication	**27,000**	-	27,000	100%
Program services	**364,566**	-	364,566	100%
Other expenditures	**28,104**	55,982	(27,878)	-48.80%
Total expenses	**528,685**	62,192	466,493	750.09%
Change in net position	**876,497**	1,594,553	(718,056)	-45.03%
Net position beginning of year	**3,480,338**	1,885,785	1,594,553	84.56%
Net position end of year	**$ 4,356,835**	$ 3,480,338	$ 876,497	25.18%

The largest source of revenue for the District was sales taxes which decreased by $251,563 compared to 2024 due to a decrease in the estimated allocations in 2025.

The most significant changes in expenses included an increase in administration and program services. Administration expenses and program services increased as the District received it's initial payment of allocated funds in 2025 which resulted in the increase in all expenses as operations began.

GOVERNMENTAL FUND

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of December 31, 2025, the District's governmental fund reported an ending restricted fund balance of $4,432,035 an increase of $1,814,322 in comparison with the prior year that is available for spending on the District's approved programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopted a budget during 2025 and amended the budget to take into consideration significant changes in revenues or expenditures. A comparison of the original and amended budget to actual totals of revenues and expenditures is on page 22 of the financial statements.

During the year, revenues were higher than amended budgetary estimates by $1,565,229 and expenditures were lower than amended budgetary estimates by $385,934

ECONOMIC FACTORS AND 2026 BUDGET

The District considered the following factors and indicators when preparing its budget for the 2025 fiscal year-end: (1) based on the strategic plan adopted in 2024 for 2024-2026, and (2) the District anticipates that personnel costs, operating services, materials, and supplies, capital outlays, and the costs of adding to the District collection will be in line with the 2024-2026 strategic plan.

The District expects that anticipated revenues and existing funds for the year will be sufficient to meet its anticipated operating expenses.

REQUESTS FOR INFORMATION

The financial report is designed to provide the citizens, taxpayers, investors, and creditors with a general overview of the District's finances, and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the District's Board Chair, Andy Kopplin, P.O. Box 56181, New Orleans, Louisiana, 70156, or telephone, 504-598-4663.

BASIC FINANCIAL STATEMENTS

December 31, 2025		Governmental Activities
Assets		
Current assets		
Cash	$	724,980
Sales tax receivables		3,683,055
Other assets		24,000
Total assets		4,432,035
Liabilities		
Current liabilities		
Accounts payable and acrrued expenses		75,200
Total current liabilities		75,200
Total liabilities		75,200
Net Position		
Restricted		4,356,835
Total net position	$	4,356,835

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

For the Year Ended December 31, 2025		Program Revenues		Net (Expense) Revenue and Change in Net Position Primary Government
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Administration	$ 109,015	$ -	$ -	$ (109,015)
Communication	27,000	-	-	(27,000)
Program services	364,566	-	-	(364,566)
Other expenditures	28,104			(28,104)
Total governmental activities	$ 528,685	$ -	$ -	(528,685)
	General revenues:			
	Sales taxes			1,405,182
	Total general revenues			1,405,182
	Change in net position			876,497
	Net position - beginning of year			3,480,338
	Net position - end of year			$ 4,356,835

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

December 31, 2025		**General Fund**
Assets		
Cash	$	724,980
Sales tax receivables, net		3,683,055
Prepaid expenses		24,000
Total assets	$	4,432,035
Liabilities		
Accounts payable and acrrued expenses		75,200
Total liabilities		75,200
Deferred Inflows of Resources		
Unavailable revenue		2,227,260
Total deferred inflows of resources		2,227,260
Fund Balance		
Nonspendable		24,000
Restricted		2,105,575
Total fund balance		2,129,575
Total liabilities, deferred inflows of resources, and fund balance	$	4,432,035

BioDistrict New Orleans
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position

December 31,		2025
Fund balance, total governmental fund	$	2,129,575
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Unavailable revenues are deferred in governmental funds but not in governmental activities		2,227,260
Net position of governmental activities	$	4,356,835

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

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund

For the Year Ended December 31, 2025	**General Fund**
Revenues	
Intergovernmental revenues	
Sales tax revenues	$ 2,343,007
Total revenues	2,343,007
Expenditures	
Administration	109,015
Communications	27,000
Program services	364,566
Other expenditures	28,104
Total expenditures	528,685
Net change in fund balance	1,814,322
Fund balance at beginning of year	315,253
Fund balance at end of year	$ 2,129,575

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

BioDistrict New Orleans
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities

For the Year Ended December 31,		*2025*
Net change in fund balance, total governmental fund	$	1,814,322
Amounts reported for governmental activities in the Statement of Activities are different because:		
Difference in revenue recognition on the modified accrual basis as reported in the Statement of Activities versus revenue recognition on the full accrual basis		
Sales tax revenue		(937,825)
Change in net position of governmental activities	$	876,497

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BioDistrict New Orleans (the District) was established as a political subdivision of the State of Louisiana as defined in Article VI, Section 44(2) of the Constitution of Louisiana and is governed by a Board of Directors that are appointed by the Governor and the Mayor of New Orleans, as well as leaders from higher education, the healthcare industry, and the economic development community in accordance with provisions of La. Rev. Stat. 33:9032. The District is an economic development district that works to grow the biosciences sector of the New Orleans economy. The goal is to transform the region into a national leader for health research and treatment, and a model for inclusive, equitable job growth. Collaborators include health care, economic development, higher education, business, and nonprofit leaders.

The current BioDistrict boundary includes 1,500 acres that connects educational institutions, health systems, industry partners, entrepreneurs, and neighboring communities from Tulane-Gravier northwest along Tulane Avenue to Gert Town and Mid-City.

Reporting Entity

Governmental accounting standards established criteria for determining the governmental reporting entity. The accompanying financial statements present information only on those funds maintained by the District.

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, B*asic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. In this regard, the District is treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the District established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis (b) Basic Financial Statements, and (c) Required Supplementary Information (other than Management's Discussion and Analysis). The accompanying financial statements of the BioDistrict present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all of the nonfiduciary activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities for the calendar period. Governmental activities generally are financed through city and state sales and use tax receipts.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Intergovernmental revenue includes city and state revenue that is based on calculations of sales tax collections. These calculations are outlined in Cooperative Endeavor Agreements (CEAs).

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government revenue is recognized when payment is initiated by the government entity.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the year. Unavailable revenues are included as deferred inflows of resources on the governmental fund financial statements. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Financial Statements

The District's governmental fund type is described as follows:

General Fund – The General Fund is the principal fund of the District and accounts for general activities, including the collection and disbursement of specific or legally restricted.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

The budget was completed and posted on the BioDistrict website on March 14, 2024 after which the proposed budget was formally adopted on that date. All appropriations lapse at year end, and any accounts payable outstanding at year end are included in the next year's budget with funds appropriated in that year to finance them. Formal budget integration is not employed as a management control device during the year; however, the Financial Manager monitors the budget during the year.

The Financial Manager is authorized to transfer amounts between line items within any fund. When actual cash revenues fail to meet budgeted cash revenues by five percent or more and/or actual cash expenditures exceed budgeted expenditures by five percent or more, a budget amendment to reflect such change is adopted by the District Board in a board meeting. Budget amounts included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash

Cash deposits include intergovernmental revenues earned from city and state governments.

Receivables

Accounts receivable are recorded at the calculated amount obtained from city and state governments and do not bear interest. The District monitors its collections and writes off accounts receivable if determined uncollectible. At December 31, 2025, no allowance for doubtful accounts has been established.

Capital Assets

Capital assets purchased or acquired with an original cost of $1,000 or more are recorded at either historical cost or estimated historical cost and are depreciated over their useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. The estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Straight-line depreciation is used based on the following estimated useful lives:

Furniture and equipment – 5 years
Vehicles – 5 years
Building – 40 years

Also, GASB Statement No. 34 requires that buildings be reported as capital assets on the District's statement of net position and depreciated annually over 40 years, as applicable, because the District has primary responsibility for managing and maintaining its buildings.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for Deferred Outflows of Resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The items that qualify for reporting as deferred outflows of resources are city and state government deferrals. These deferrals are calculated by the respective entities and will be recognized when payments are initiated by the city and state governments.

Categories and Classification of Fund Equity

Net position flow assumption –The District may fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

Fund balance policies – Fund balance of the governmental fund is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The fund balance are as follows:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Under the District 's adopted policy, only the Board may assign amounts for specific purpose.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

Intergovernmental revenue – Amounts reported as intergovernmental revenue includes city and state revenue that is based on calculations of sales tax collections. These calculations are outlined in CEAs.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from these estimates. There are currently no significant estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2026, and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement was adopted for the year ended December 31, 2025. There was no impact to the financial statements as a result of this adoption.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to establish requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 105, Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

The District is evaluating the requirements of the above statements and the impact on reporting.

Note 2: CASH

The Distrcit maintains cash accounts at local financial institutions. These deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured 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. At December 31, 2025, the District had $724,980 in deposits (collected bank balances). These deposits were secured from risk by $250,000 of federal deposit insurance. The City's bank accounts were exposed to custodial credit risk of $474,980 that represents the amount on deposit that exceeded the federal depository insurance and with no collateral pledged as of December 31,2025 in accordance with Louisiana Revised Statute 39:1224.

Note 3: COOPERATIVE ENDEAVOR AGREEMENTS

The District has entered into various CEAs with the State of Louisiana and the City of New Orleans to promote economic development, support public services, and fund infrastructure projects within the community.

Under these agreements, the District may receive state appropriations, grants, or lines of credit, or provide matching funds, properties, or personnel. Unless otherwise restricted, revenues and expenditures related to these CEAs are recognized in the General Fund.

Note 3: COOPERATIVE ENDEAVOR AGREEMENTS (CONTINUED)

Significant ongoing or active CEAs for the fiscal year ended December 31, 2025, include:

- Economic development project: A CEA entered into with the State of Louisiana on July 1, 2023, to advance biomedical research and job creation. During the current fiscal year, the District incurred no expenditures in the Statement of Activities. The District had $0 in remaining unspent allocations available for future eligible costs since no funds were collected as of December 31, 2025.

- Economic development project: A CEA entered into with the City of New Orleans on November 1, 2022, to advance biomedical research and job creation. During the current fiscal year, the District incurred expenditures of $324,566, which are included in Landscape Enhancements in the Statement of Activities. As of December 31, 2025, the District had $3,758,783 in remaining unspent allocations available for future eligible costs.

- Maximize federal funding: A CEA entered into with New Orleans BioInnovation Center, Inc., on September 3, 2025, not to exceed $91,250 to establish a comprehensive Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) support system to maximize success rates and federal funding. During the current fiscal year, the District incurred expenditures of $40,000, which are included in SBIR/STTR Support Costs in the Statement of Activities. As of December 31, 2025, the District had $51,250 in remaining unspent allocations available for future eligible costs.

- BioChallenge support: A CEA entered into with New Orleans BioInnovation Center, Inc., on September 3, 2025, not to exceed $25,000 to provide a stakeholder-convening vehicle as well as a pitch competition for entrepreneurs and local stakeholders. During the current fiscal year, the District incurred expenditures of $25,000, which are included in Community Partnership Costs in the Statement of Activities. As of December 31, 2025, the District had $0 in remaining unspent allocations available for future eligible costs.

Note 4: CONCENTRATION

The District is economically dependent on funding provided through CEAs with the City of New Orleans and the State of Louisiana. These agreements represent substantially all of the District’s revenue. The continuation of funding is subject to the terms of the agreements and may be affected by economic performance. A decline in incremental sales tax collections or modification of the agreements could have a material impact on the District’s financial position and operations.

REQUIRED SUPPLEMENTARY INFORMATION

	Budgetary Amounts		Actual Amounts	Variance with Final Budget
	Original	**Final**	**Budgetary Basis**	**Over (Under)**
Revenues				
Intergovernmental revenues				
Sales and use taxes	$ 2,186,012	$ 2,186,012	$ 2,343,007	$ 156,995
Total revenues	2,186,012	2,186,012	2,343,007	156,995
Expenditures				
General government				
Administration	257,020	257,020	109,015	(148,005)
Communications	105,250	105,250	27,000	(78,250)
Program services	2,011,434	2,011,434	364,566	(1,646,868)
Other expenditures	-	-	28,104	28,104
Total expenditures	2,373,704	2,373,704	528,685	(1,845,019)
Net Change in Fund Balance	(187,692)	(187,692)	1,814,322	(2,002,014)
Fund balance, beginning of year	315,253	315,253	315,253	-
Fund balance, end of year	**$ 127,561**	**$ 127,561**	**$ 2,129,575**	**$ 2,002,014**

OTHER SUPPLEMENTARY INFORMATION

For the Year Ended December 31, *2025*

Agency Head Name: Andrew D. "Andy" Kopplin, Board Chair

Purpose		Amount
Salary	$	-
Benefits-insurance		-
Benefits-retirement		-
Benefits-medicare		-
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Housing		-
Unvouchered expenses (travel advances)		-
Special meals		-
Other		-
Total	$	-

For the Year Ended December 31,		***2025***
Board Member	**Per Diem**	**Dues**
Akaneisha Akinpelumi	-	-
Emily S. Arata	-	-
Amel Cosey	-	-
Lowry Curley	-	-
Judith W. Dangerfield	-	-
Chelsey Gonzales	-	-
Michael L. Hecht	-	-
Nicole B. Honore'e	-	-
Andrew D. "Andy" Kopplin	-	-
Larissa Littleton-Steib	-	-
Patrick Norton	-	-
Charlotte M. Parent	-	-
Blake J. Stanfill	-	-
Gregoire Tillery	-	-
Total paid by BioDistrict New Orleans	$ -	$ -

*The Board Members are not paid for their service.

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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CPAs and Advisors

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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*

To the Chairman and Board
BioDistrict 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 governmental activities and the major fund of the BioDistrict New Orleans (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 30, 2026.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item **2025-001**.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 30, 2026

SECTION I–SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified no considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-001 INSUFFICIENT PLEDGED COLLATERAL (COMPLIANCE)

Condition: The District did not maintain a pledged collateral balance equal to the amount held on deposit with one of its financial institution in excess of Federal Deposit Insurance Corporation coverage.

Criteria: In accordance with Louisiana Revised Statute 49:321, governmental entities in Louisiana are required to maintain securities "equal to one hundred percent of the amount on deposit to the credit of the depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States."

Cause: The financial institution in which the District maintains an account did not maintain an appropriate balance of pledged securities relative to the District's uninsured deposits. The District did not review for pledged collateral balance as of December 31, 2025.

Effect: The District was in violation of Louisiana RS 49:321, as its uninsured deposits were under-collateralized by $474,980

Recommendation: The District should ensure that deposits are appropriately collateralized by all of their financial institutions by reviewing monthly statements from their financial institutions to ensure pledged collateral is maintained at the appropriate level.

SECTION III- PRIOR FINDINGS AND RESPONSES

No matters were reported.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
BioDistrict New Orleans
New Orleans, Louisiana
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, 2025 through December 31, 2025. The BioDistrict New Orleans' management is responsible for those C/C areas identified in the SAUPs.

The BioDistrict 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, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

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.

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

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.

Results: Exception noted. The entity's policy does not address the (4) controls to ensure compliance with the public bid law and (5) documentation required to be maintained for all bids and price quotes.

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

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

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).

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

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 rates of pay or approval and maintenance of pay rate schedules.

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

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.

Results: Exception noted. The entity's policy does not address the (3) legal process.

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

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

viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable**), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

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.

Results: Exception noted. The entity does not have an ethics policy.

x. **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.

Results: Exception noted. The entity does not have an information technology policy.

xi. **Prevention of Sexual Harassment,** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Exception noted. The entity does not have a sexual harassment policy.

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.

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

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

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

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.

Results: Not applicable as the BioDistrict did not have a prior year audited report.

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.

Results: Not applicable as the BioDistrict did not have a prior year audited report.

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.

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

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);

Results: Exception noted. The selected bank reconciliation was not prepared within 2 months of the related statement closing date.

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

Results: Exception noted. The selected bank reconciliation did not have evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation within 1 month of the date the reconciliation was prepared.

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.

Results: Not applicable as the bank reconciliation selected did not have any reconciling items outstanding for more than 12 months.

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).

Results: Not applicable as the BioDistrict only receives ACH Payments.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

Results: Not applicable as no deposits were made during the current year.

Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

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

Results: Not applicable as the BioDistrict only receives ACH Payments.

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;

Results: Not applicable as the BioDistrict only receives ACH Payments.

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Results: Not applicable as the BioDistrict only receives ACH Payments.

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

Results: Not applicable as the BioDistrict only receives ACH Payments.

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

Results: Not applicable as the BioDistrict does not collect cash.

Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

Results: Not applicable as the BioDistrict only receives ACH Payments.

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

Results: Not applicable as the BioDistrict only receives ACH Payments.

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

Results: Not applicable as the BioDistrict only receives ACH Payments.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 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).

Results: Not applicable as the BioDistrict only receives ACH Payments.

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

Results: Not applicable as the BioDistrict only receives ACH Payments.

5) Non-Payroll Disbursements (excluding card purchases, 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).

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

B. For each location selected under procedure #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, then 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 or making the purchase;

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

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

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

   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;

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

   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; and

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

   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.

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

C. For each location selected under procedure #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.

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

   Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

   i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Airport, and

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

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

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

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.

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

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Results: Not applicable as the BioDistrict does not have credit cards.

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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Results: Not applicable as the BioDistrict does not have credit cards.

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

Results: Not applicable as the BioDistrict does not have credit cards.

C. Using the monthly statements or combined statements selected under procedure #6B above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Not applicable as the BioDistrict does not have credit cards.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: Not applicable as the BioDistrict does not have credit cards.

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.

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

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

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

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

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

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

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

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

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. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete.

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

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;

   Results: Not applicable as none of the agreements/contracts selected were required to be bid.

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);

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

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

   Results: Not applicable as none of the contracts selected were amended.

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 that the invoice and related payment agreed to the terms and conditions of the contract.

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

9) Ethics

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete.

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

   Randomly select 5 employees or officials, obtain ethics documentation from management, and

   i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

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

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

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

10) 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.

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

   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.

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

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

11) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

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

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.

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

   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.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) and observe evidence that the selected terminated employees have been removed or disabled from the network.

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

E. Using the 5 randomly selected employees/officials from Ethics procedure #6A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:126728. The requirements are as follows:

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

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

12) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Ethics procedure #6A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: Exception noted. Five (5) of the five (5) selected officials did not have sexual harassment training documentation.

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

Results: Exception noted. The entity does not have a sexual harassment policy.

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 that the report includes the applicable requirements of R.S. 42:344:

Results: Exception noted. The entity does not have an annual sexual harassment report for the current fiscal period.

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

Results: Exception noted. The entity does not have an annual sexual harassment report for the current fiscal period.

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

Results: Exception noted. The entity does not have an annual sexual harassment report for the current fiscal period.

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

Results: Exception noted. The entity does not have an annual sexual harassment report for the current fiscal period.

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

Results: Exception noted. The entity does not have an annual sexual harassment report for the current fiscal period.

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

Results: Exception noted. The entity does not have an annual sexual harassment report for the current fiscal period.

We were engaged by the BioDistrict 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 BioDistrict 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.

Carr, Riggs & Ingram, L.L.C.

June 30, 2026
Metairie, Louisiana