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**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

**FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NEW ORLEANS, LOUISIANA**

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 25 2015**

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PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of French Market Corporation (the Market), a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Market's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes

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evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Market, a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2013 and 2012, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the French Market Corporation's basic financial statements. The budgetary comparison schedule listed as other supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2014, on our consideration of the Market's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Market's internal control over financial reporting and compliance.

Paillet, Meunier and LeBlanc, LLP

New Orleans, Louisiana
June 13, 2014

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

French Market Corporation (the Market), a proprietary component unit of the City of New Orleans management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the Market's financial activity, and identify changes in the Market's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and is intended to provide the financial results for the fiscal year ending December 31, 2013.

As required in GASB 34, the financial report is presented in the following order:

- Management's Discussion and Analysis
- Basic Financial Statements
 - Statement of Net Position
 - Statement of Revenues, Expenditures and Changes in Net Position
 - Statement of Cash Flows
 - Notes to the Financial Statements
- Other Required Supplementary Information
- Required Supplementary Information

OVERVIEW OF THE FINANCIAL STATEMENTS

The Market's financial statements comprise the basic financial statements and the notes to the financial statements. These statements use the full accrual basis of accounting similar to private sector companies. Since the Market consists of a single enterprise fund, no fund level financial statements are shown. The basic financial statements are designed to provide readers with a broad overview of the Market's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Market's assets 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 the Market is improving or deteriorating. Net position increase when revenues exceed expenses. Increases to assets without corresponding increases to liabilities, results in increased net position, which indicates an improved financial position.

The Statement of Revenue, Expenses, and Changes in Fund Net Position presents information showing how the Market'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, revenue and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (i.e., earned but unused vacation leave).

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

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

FINANCIAL ANALYSIS OF THE MARKET

The Market's total assets for 2013 decreased by \$(2,038,934) primarily due to the early retirement of the revenue bonds payable. The total liabilities decreased in 2013 by \$(4,218,888) primarily due to decreases in amounts owed on the revenue bonds payable. As a result, the Market's assets exceeded liabilities by \$19,230,573 at the end of 2013. There was an increase of \$2,185,653 from the previous year.

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets	\$ 629,887	\$ 748,215
Noncurrent assets	19,606,469	21,527,075
Total assets	<u>20,236,356</u>	<u>22,275,290</u>
LIABILITIES		
Current liabilities	639,118	826,605
Noncurrent liabilities	346,720	4,378,121
Total liabilities	<u>985,838</u>	<u>5,204,726</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues	<u>\$ 19,945</u>	<u>\$ 25,644</u>
NET POSITION		
Net investment in capital assets	\$12,909,756	\$ 9,449,761
Restricted for revenue bond debt service	-	535,901
Unrestricted		
Designated for capital projects	3,000,000	5,095,958
Undesignated	<u>3,320,817</u>	<u>1,963,300</u>
Total Unrestricted	<u>6,320,817</u>	<u>7,059,258</u>
Total net position	<u>\$19,230,573</u>	<u>\$17,044,920</u>

CAPITAL ASSETS

The Market's investment in capital assets amounts to \$12,909,756, net of accumulated depreciation, as of December 31, 2013, which is a decrease of \$770,937 as compared to 2012. Capital assets include land, buildings and improvements, furniture, fixtures, and equipment. The Market uses these capital assets to provide its primary revenue source and consequently these assets are not available to liquidate liabilities or other spending.

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 28,876,106	\$28,697,762
Less: accumulated depreciation	<u>15,966,350</u>	<u>15,017,069</u>
Net capital assets	<u>\$ 12,909,756</u>	<u>\$13,680,693</u>

Depreciation expense for the year is \$949,282.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

DEBT ADMINISTRATION

On August 3, 2006, the Market issued a drawdown bond, Taxable Revenue Bond Series 2005 A, for a principal amount of not exceeding \$5,000,000. The Series 2005 A bond is for the acquisition and construction of improvements to the Market's Farmers' Market and Flea Market Sheds 1 and 2, pedestrian crossing reconfiguration, installation of historic and directional signage, improvements, flood wall opening enhancements and other capital improvements. At December 31, 2013, the drawdown bond outstanding totaled \$0.

NET POSITION

As indicated below, total net position is \$19,230,573. Net position can be separated into three categories: Net investment in capital assets, restricted for revenue bond service, and unrestricted net position. The largest portion of the Market's net position reflects its investments in capital assets (i.e., buildings and improvements) less any related debt used to improve those assets that are still outstanding.

	2013	2012
NET POSITION:		
Net investment in capital assets	\$ 12,909,756	\$ 9,449,761
Restricted for revenue bond service	-	535,901
Unrestricted		
Designated for capital projects	3,000,000	5,095,958
Undesignated	3,320,817	1,963,300
Total Unrestricted	6,320,817	7,059,258
TOTAL NET POSITION	\$ 19,230,573	\$17,044,920

Net position invested in capital assets are a combination of capital assets at original cost less accumulated depreciation and less any related debt. The original cost of capital assets is \$28,876,106, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition, \$15,966,350. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. The related debt is the revenue bond debt service. These amounts are restricted because of certain bond covenants and are required to establish and maintain prescribed amounts of resources (consisting of cash and cash equivalents) that can be used only to service outstanding debt. As of and for the year ended December 31, 2013, the related debt was \$0.

Net position restricted for revenue bond service are a combination of the Debt Service Fund, \$0 and the Debt Service Reserve Fund \$0. These amounts are maintained by the bondholder and were established in case the company is unable to make their payments.

The remaining unrestricted net position is \$6,320,817. The unrestricted net position is an accumulation of prior years' operating results and a Capital Improvement Fund established for future capital improvement projects that may arise.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

RESULTS OF OPERATIONS

The Market's total net position increased by \$2,185,653 over the course of the year's operations primarily due to an increase in operating revenues and operating expenses remaining constant year over year. Total operating revenues increased by \$242,128 or 2.9% from the previous year. This resulted primarily due to an increase in tenant rents for the year.

	<u>2013</u>	<u>2012</u>
Operating revenues	\$ 8,730,253	\$ 8,488,125
Operating expenses	<u>6,410,247</u>	<u>6,391,706</u>
Operating Income	2,320,006	2,096,419
Non-operating expenses	<u>(34,353)</u>	<u>(284,353)</u>
Income before transfer out	2,285,653	1,812,066
Transfer out	<u>(100,000)</u>	<u>(100,000)</u>
Increase (decrease) in net position	<u>\$ 2,185,653</u>	<u>\$ 1,712,066</u>

Operating expenses were \$18,541 higher than 2012 due primarily to increases in various office expenses.

ORIGINAL VS. REVISED BUDGET

The Market adopts an annual operating budget and a five-year capital budget. The operating budget includes proposed expenses and the means of financing them. The operating budget remains in effect throughout the year. The capital budget includes major building repairs and renovations, vehicle purchases, equipment replacements, painting of buildings, and landscape improvements.

REVENUE BUDGET

The Market's actual general fund revenues of \$8,730,253 were greater than the budget by \$630,253, a variance of approximately 7.2%.

EXPENDITURE BUDGET

The Market's actual general fund expenditures of \$9,906,458 were higher than the budget by \$1,806,458, a variance of approximately 18.2%.

CONTACTING THE FRENCH MARKET CORPORATION FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Market's finances and demonstrate the Market's accountability for money it receives. If you have questions about this report or need additional information, contact Mr. Jon Smith, Executive Director, at 1008 N. Peters St., New Orleans, LA 70116.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
STATEMENT OF NET POSITION
DECEMBER 31,

	2013	2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 88,881	\$ 73,728
Accounts receivables, net of allowance for doubtful accounts	509,261	578,734
Prepaid expenses	31,745	95,753
Total Current Assets	629,887	748,215
Noncurrent Assets		
Restricted cash and cash equivalents	6,648,872	7,743,985
Capital assets, net of accumulated depreciation	12,909,756	13,680,693
Other assets	47,841	102,397
Total Noncurrent Assets	19,606,469	21,527,075
Total Assets	20,236,356	22,275,290
 LIABILITIES		
Current Liabilities		
Accounts payable	131,879	81,204
Accrued interest expense	-	91,303
Rental deposits	154,727	156,732
Due to city agencies-net	352,512	327,638
Revenue bonds payable	-	169,728
Total Current Liabilities	639,118	826,605
Noncurrent Liabilities:		
Accrued compensated absences	346,720	316,917
Revenue bonds payable	-	4,061,204
Total Noncurrent Liabilities	346,720	4,378,121
Total Liabilities	985,838	5,204,726
 DEFERRED INFLOWS OF RESOURCES		
Deferred revenues	19,945	25,644
Total Deferred Inflows of Resources	19,945	25,644
 NET POSITION		
Net investment in capital assets	\$12,909,756	\$ 9,449,761
Restricted for revenue bond service	-	535,901
Unrestricted		
Designated for capital projects	3,000,000	5,095,958
Undesignated	3,320,817	1,963,300
Total Unrestricted	6,320,817	7,059,258
TOTAL NET POSITION	\$19,230,573	\$17,044,920

The notes to the financial statements are an integral part of this statement.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Rental income, net	\$ 8,270,543	\$ 7,856,504
Other income	<u>459,710</u>	<u>631,621</u>
Total operating revenues	<u>8,730,253</u>	<u>8,488,125</u>
Operating expenses:		
General and administrative	1,377,983	1,234,182
Shopping Center	1,525,126	1,600,809
Farmers/Flea market	804,864	910,652
Parking lots	1,100,015	1,061,860
Advertisement	547,070	590,525
Washington Artillery Park	41,503	42,520
Crescent Park	6,186	-
Depreciation and Amortization	<u>1,007,500</u>	<u>951,158</u>
Total Operating Expenses	<u>6,410,247</u>	<u>6,391,706</u>
Operating income	<u>2,320,006</u>	<u>2,096,419</u>
Non-operating revenues/ (expenses):		
Interest income	3,323	3,647
Bond interest	<u>(37,676)</u>	<u>(288,000)</u>
Total non-operating expenses	<u>(34,353)</u>	<u>(284,353)</u>
Income before transfer out	2,285,653	1,812,066
Transfer out	<u>(100,000)</u>	<u>(100,000)</u>
Changes in Net Position	2,185,653	1,712,066
Net Position - December 31, 2012	<u>17,044,920</u>	<u>15,332,854</u>
Net Position - December 31, 2013	<u>\$ 19,230,573</u>	<u>\$ 17,044,920</u>

The notes to the financial statements are an integral part of this statement.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Received from tenants	\$ 8,386,868	\$ 7,747,451
Received from others	459,710	631,621
Paid to suppliers for goods and services	(3,307,894)	(4,477,211)
Paid to employees for services	<u>(2,075,015)</u>	<u>(2,190,333)</u>
Net cash provided by operating activities	<u>3,463,669</u>	<u>1,711,528</u>
Cash Flows from Noncapital Financial Activities:		
Operating transfer out	<u>(100,000)</u>	<u>(100,000)</u>
Capital used in noncapital financing activities	<u>(100,000)</u>	<u>(100,000)</u>
Cash Flows from Capital and Related Financing Activities:		
Interest paid on bonds	(37,676)	(288,000)
Principal payments on bond	(4,230,932)	(170,319)
Payments for capital acquisitions	<u>(178,344)</u>	<u>(356,062)</u>
Capital used in capital and related financing activities	<u>(4,446,952)</u>	<u>(814,381)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>3,323</u>	<u>3,647</u>
Cash provided by investing activities	<u>3,323</u>	<u>3,647</u>
Net increase/(decrease) in cash and cash equivalents	(1,079,960)	800,794
Cash and cash equivalents - December 31, 2012	<u>7,817,713</u>	<u>7,016,919</u>
Cash and cash equivalents - December 31, 2013	<u>\$ 6,737,753</u>	<u>\$ 7,817,713</u>
Reconciliation to Statements of Net Position:		
Cash and cash equivalents - current assets	\$ 88,881	\$ 73,728
Restricted cash and cash equivalents	<u>6,648,872</u>	<u>7,743,985</u>
Total Cash and Cash Equivalents	<u>\$ 6,737,753</u>	<u>\$ 7,817,713</u>

The notes to the financial statements are an integral part of this statement.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
STATEMENT OF CASH FLOWS, CONTINUED
FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:		
Operating income	\$ 2,320,006	\$ 2,096,419
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	949,282	946,992
Changes in assets and liabilities:		
(Increase) in receivables	69,473	(90,103)
(Increase) Decrease in prepaid expenses	64,008	1,654
(Increase) Decrease in other assets	54,555	(11,024)
Increase (Decrease) in accounts payable and accrued expenses	(10,825)	(57,663)
Increase (Decrease) in due to city agencies	24,874	(1,166,820)
Increase (Decrease) in tenant rental deposits	(2,005)	3,315
Increase (Decrease) in deferred revenues	<u>(5,699)</u>	<u>(11,243)</u>
Net cash provided by operating activities	<u>\$ 3,463,669</u>	<u>\$ 1,711,527</u>

The notes to the financial statements are an integral part of this statement.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

INTRODUCTION

The French Market Corporation (the Market) was formed January 1, 1972, by the City of New Orleans to preserve, restore, and develop the French Market Properties owned by the City of New Orleans. These properties include five buildings and the Farmers Market. The Market is a non-profit corporation that is owned by the City of New Orleans and administered by a Board of Directors consisting of twelve members appointed by the Mayor of the City of New Orleans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Market have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*.

In addition, the Market has also adopted the provisions of Governmental Accounting Standards Board Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*. This statement requires that capital contributions to the Market be presented as a change in net position.

B. REPORTING ENTITY

As the governing authority of the Parish, for reporting purposes, the City of New Orleans is the financial reporting entity. The financial reporting entity consists of (a) the primary government (the City of New Orleans), (b) organizations for which the primary government is financially accountable, and (c) 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 criterion for including a potential component unit within the reporting entity is financial accountability. This criterion 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.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY (continued)

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.

Based on the above criteria, the Market 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 the Market 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.

C. INCOME TAXES

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

The term basis of accounting is used to determine when a transaction or event is recognized on the Market's operating statement. The Market 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.

The Market 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 activities and changes in net position, and a statement of cash flows. It requires the classification of net position into three components-net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Net investment in capital assets - 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 is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints 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 positions that do not meet the definition of "restricted" or "Net investment in capital assets".

E. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in non-interest-bearing demand deposits. Cash equivalents include short-term, highly liquid U.S. Treasury securities money market funds with original maturities of 90 days or less. Under state law, the Market may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. ACCOUNTS RECEIVABLE

It is the practice of management to provide an allowance for any account which in management's opinion may not be collectible based upon a review of the current status of existing receivables. Management believes that not all receivables are collectible at December 31, 2013, and 2012; therefore, the financial statements include estimates for allowance for doubtful accounts of \$138,426 and \$0, respectively.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. ANNUAL AND SICK LEAVE

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

I. BUDGETS

The proposed budget, which is prepared on the modified accrual basis of accounting, must be approved by the City Council of the City of New Orleans. The budget is legally adopted and amended, as necessary, by the Market. All appropriations lapse at year-end. The amounts budgeted represent cash transactions, which are processed by the City of New Orleans, and are not included in the accompanying financial statements. Budget amounts included in the accompanying budgetary comparison schedule included the original adopted budget.

J. CAPITAL IMPROVEMENT PLAN

The Market has a five-year capital improvement plan that includes various projects in several departments/units of the Market. Projects include, but are not limited to, purchasing additional security equipment, painting, plumbing, and certain major building repairs.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. In situations involving the construction of certain assets financed with the proceeds from borrowings, the interest is capitalized. For the year ended December 31, 2013, and 2012, no such interest was capitalized. Depreciation of capital assets is computed as follows:

Description	Method	Estimated Life (years)
Building and improvements	Straight-line	40
Furniture and equipment	Straight-line	3-10
Vehicles	Straight-line	3-5

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. RESTRICTED NET POSITION

The Market, because of certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and cash equivalents) that can be used only to service outstanding debt. The net position is reported as restricted when constraints placed on net position use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

M. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value of all significant financial instrument amounts have been determined by the Market using available market information and appropriate valuation methodologies. The Market considers the carrying value amounts of cash and cash equivalents, receivables, prepaid items and bonds and other payables to approximate market value.

N. DEFINING OPERATING REVENUES AND EXPENSES

The Market distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Market consist of charges for services and the cost of providing those services, including depreciation and excluding interest income/expense. All other revenues and expenses are reported as nonoperating

O. USE OF RESTRICTED/UNRESTRICTED RESOURCES

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Market's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

2. CASH AND EQUIVALENTS

At December 31, 2013, and 2012, the Market has cash and cash equivalents (book balances) totaling \$6,737,753 and \$7,817,713 as follows:

Non-interest-bearing demand deposits	\$	88,881	\$	73,728
U.S. Treasury securities money market funds with financial institutions - restricted assets		<u>6,648,872</u>		<u>7,743,985</u>
Total		<u>\$ 6,737,753</u>		<u>\$ 7,817,713</u>

It is the policy of the Organization's Board of Directors to periodically review the Organization's needs and goals regarding needed repairs, improvements and renovations, and equipment needs in the future. Restricted cash includes amounts restricted by the board for the foregoing items.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

2. CASH AND EQUIVALENTS (continued)

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. 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. These deposits are entirely covered by federal deposit insurance.

Custodial credit risk is the risk that, in event of a failure of financial institution or counterparts, the Market would not be able to recover its deposits, investments, or collateral securities that are in the possession of an outside party. The Market's deposits are not subject to custodial credit risk. Cash equivalents consisting of U.S. Treasury Securities and money market funds are not subject to custodial credit risk.

3. CAPITAL ASSETS

Capital assets and depreciation as of and for the years ended December 31, 2013 and 2012, follow:

Government Activities	December 31, 2011	Additions/ (Transfers)	December 31, 2012	Additions/ (Transfers)	December 31, 2013
Land-Elysian Fields	\$ 99,917	\$ -	\$ 99,917	\$ -	\$ 99,917
Buildings and improvements	13,427,865	175,007	13,602,872	130,921	13,733,793
Farmers/Flea Market renovations	9,347,962	-	9,347,962	-	9,347,962
Furniture and equipment	1,226,178	117,231	1,343,409	42,244	1,385,653
Alley and Moonwalk improvements	2,217,631	39,872	2,257,503	5,179	2,262,682
Parking lots	1,448,163	1,865	1,450,028	-	1,450,028
Ursuline Floodwall Gate	472,398	-	472,398	-	472,398
Vehicles	101,586	22,087	123,673	-	123,673
Sub-total	28,341,700	356,062	28,697,762	178,344	28,876,106
Less accumulated depreciation:	<u>14,070,078</u>	<u>946,992</u>	<u>15,017,069</u>	<u>949,281</u>	<u>15,966,350</u>
Capital assets, net	<u>\$ 14,271,622</u>	<u>\$ (590,930)</u>	<u>\$ 13,680,693</u>	<u>\$ (770,937)</u>	<u>\$ 12,909,756</u>
Depreciation Expense		<u>\$ 946,991</u>			<u>\$ 949,282</u>

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

4. REVENUE BOND PAYABLE

On August 3, 2006, the Market issued Taxable Revenue Bonds Series 2005 A, drawdown bond, for a principal amount of not exceeding \$5,000,000. The bonds mature on May 1, 2025. The drawdown bond is for the acquisition and construction of improvements to the Market's Farmers' Market and Flea Market Sheds 1 and 2, pedestrian crossing reconfiguration, installation of historic and directional signage, improvements, flood wall opening enhancements and other capital improvements. The original date of the issue was August 6, 2006 and the maturity date of the issue is May 1, 2025. Principal payments and Interest payments on the bonds are payable semi-annually on November 1 and May 1, commencing on November 1, 2006. The interest rate is fixed at 6.15% per annum.

All outstanding revenue bonds payable were retired during 2013.

The current portion as of December 31, 2012 was \$169,728.

Bond Issue Cost

As a result of the Revenue Bond, the Market incurred \$83,344 in legal fees. These fees are to be amortized over the duration of the outstanding bond. As of December 31, 2013 and 2012, the carrying value of the Deferred Bond Issue Costs are as followed:

	December 31, 2011	Additions/ (Transfers)	December 31, 2012	Additions/ (Transfers)	December 31, 2013
Deferred Bond Issue Cost	\$ 83,344	\$ -	\$ 83,344	\$ -	\$ 83,344
Accumulated Amortization	20,959	4,167	25,126	58,218	83,344
Carrying Costs	<u>\$ 62,385</u>	<u>\$ (4,167)</u>	<u>\$ 58,218</u>	<u>\$ (58,218)</u>	<u>\$ -</u>

5. BOND COVENANTS

As of December 31, 2013 and 2012, the Market was in compliance with requirements for the revenue bond covenants.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

6. MINIMUM FUTURE RENTALS

The Market has entered into rental agreements which require the tenant to pay the Market minimum monthly rental payments plus contingent rentals. These operating leases expire in various years through the year 2020.

Minimum future rentals to be received under the various operating leases as of December 31, 2013 for each of the next five (5) years:

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	\$ 917,249
2015	632,144
2016	531,427
2017	443,857
2018	422,841
Total	<u>\$ 2,947,518</u>

7. LEASES

The Market leases office equipment on a month to month basis.

8. PENSION PLAN

During 1997, clerical and administrative employees of the Market, who were not already receiving benefits from any of the other retirement plans sponsored by the City of New Orleans, became members of the Employees' Retirement System of the City of New Orleans (the Retirement System). The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of a board of trustees. The Retirement System is a combination Defined Benefit and Defined Contribution Pension plan established under the laws of the State of Louisiana. The general administration has the responsibility for the proper operation of the Retirement System and for making effective the Retirement System. The Employees' Retirement System of the City of New Orleans issues a publicly available financial report that includes financial statements and required supplementary information.

For the fiscal year, employees participating in the Retirement System are required to contribute 6% of their salary and the employer is required to contribute 14.9%. Employer contributions to the Retirement System are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years beginning July 1, 1974, using the level percentage of payroll method. The contribution requirements of Retirement System members and the Market are established and may be amended by the Retirement System's board of trustees. As of December 31, 2013 the employees contributed \$99,270 and the Market contributed \$341,738; and as of December 31, 2012 the employees contributed \$63,849 and the Market contributed \$242,110. However, the Market does not guarantee any of the benefits granted by the plan.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

8. PENSION PLAN (continued)

Employees with thirty years of service, or who attain age 60 with ten years of service, or age 65, irrespective of length of service, are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employee's accumulated contribution, plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2.5% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age 62. Average compensation is defined as average annual earned compensation for the highest thirty-six successive months of service, less \$1,200. Mandatory retirement age is 70.

Disability Benefits

Disability benefits are awarded to active members with 10 or more years of creditable service if a physician nominated by the board certifies that the member is totally incapacitated and that such incapacitation is likely to be permanent. The member receives an annuity, which is the actuarial equivalent to the employee's accumulated contribution, plus an annual pension, which, together with the annuity, shall be 75% of the service allowance that would have been payable upon service retirement at age 65, had the member continued in service to the age of 65. Such allowance is to be computed on the average compensation, plus the sum \$1,200 provided, however, that the minimum annual retirement allowance will be \$300 per year.

9. TRANSACTIONS WITH RELATED PARTIES

City of New Orleans

The Market is a non-profit corporation that is owned by the City of New Orleans and administered by a Board of Directors consisting of twelve members appointed by the Mayor of the City of New Orleans. As a result, they have various transactions pertaining to payroll and related expenses, and their annual lease. For the year ended December 31, 2013 and 2012, the Market had incurred the following expenses on behalf of the managed companies, with the following amounts unpaid as of that date:

	December 31, 2012		December 31, 2013	
	Expenses Incurred	Accounts Payable	Expenses Incurred	Accounts Payable
Salaries	\$ 1,480,643	\$ 159,368	\$ 1,410,699	\$ 179,110
Payroll Taxes and Benefits	709,690	68,253	664,316	73,378
Annual Lease	100,000	100,000	100,000	100,000
Totals	\$ 2,290,333	\$ 327,621	\$ 2,175,015	\$ 352,488

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

9. TRANSACTIONS WITH RELATED PARTIES (continued)

Upper Pontalba Building Restoration Corporation

The Upper Pontalba is a non-profit corporation administered by a Board of Directors consisting of seven members that are appointed by the sole stockholder, the Mayor of the City of New Orleans. The Market is the management company for the Upper Pontalba; as a result, they maintain their payroll, through the city, and receive an annual fee for their services. As of December 31, 2013, the Market had incurred the following expenses, with the following amounts unpaid as of that date:

	Incurred Costs	Fees	Accounts Receivable
Salary and Related Expenses	\$ 233,156	\$ -	\$ 55,241
Management Fee	-	50,000	12,500
Totals	<u>\$ 233,156</u>	<u>\$ 50,000</u>	<u>\$ 67,741</u>

As of December 31, 2012, the Market had incurred the following expenses, with the following amounts unpaid as of that date:

	Incurred Costs	Fees	Accounts Receivable
Salary and Related Expenses	\$ 197,643	\$ -	\$ 55,241
Management Fee	-	50,000	12,500
Totals	<u>\$ 197,643</u>	<u>\$ 50,000</u>	<u>\$ 67,741</u>

10. CONTINGENCIES

The Market is a defendant in various lawsuits filed for alleged breaches and unspecified damages. Outside counsels for the Market have advised that at this stage in the proceedings they cannot offer opinions as to the probable outcomes of these lawsuits. The Market believes the suits are without merit and is vigorously defending its positions.

11. RISK MANAGEMENT

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

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

12. NET POSITION

Net Position is restricted for the following reasons:

Net investment in capital assets:

	2013	2012
Capital Assets	\$ 28,876,106	\$ 28,697,762
Less:		
Accumulated Depreciation	15,966,350	15,017,069
Debt related to Capital Assets	-	4,230,932
Net investment in capital assets	<u>\$ 12,909,756</u>	<u>\$ 9,449,761</u>

Restricted for revenue bond service:

	2013	2012
Debt Service Reserve Fund	\$ -	\$ 35,869
Restricted for revenue bond service	<u>-</u>	<u>500,032</u>
	<u>\$ -</u>	<u>\$ 535,901</u>

Unrestricted net position consists of the following:

	2013	2012
Designated for capital projects	\$ 3,000,000	\$ 5,095,958
Undesignated	3,320,817	1,963,300
Total Unrestricted	<u>\$ 6,320,817</u>	<u>\$ 7,059,258</u>

13. JOINT MERGER AGREEMENT

A joint merger agreement dated October 9, 2013, was entered into pursuant to the provisions of Section 243 of the Louisiana Nonprofit Corporation Law, La R.S. 12:201, et seq., by and between majorities of the directors and approved by the sole shareholder, the Mayor of the City of New Orleans, of Upper Pontalba Building Corporation ("Assimilated Corporation") and French Market Corporation ("Surviving Corporation"). The merger, effective January 1, 2014, was signed and approved by the Mayor of the City of New Orleans on March 14, 2014.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

14. SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of the French Market Corporation through June 13, 2014, the date the financial statements were issued, and concluded that other than the merger described in Note 13, no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Actual GAAP BASIS	Variance With Final Budget Positive (Negative)
Total Salaries and Related Expenses	\$ 2,705,979	\$ 2,075,015	\$ 630,964
Total Operating Expenditures	3,174,021	3,327,732	(153,711)
Other Expenditures	<u>2,220,000</u>	<u>4,503,711</u>	<u>(2,283,711)</u>
Total Expenditures	<u>\$ 8,100,000</u>	<u>\$ 9,906,458</u>	<u>\$ (1,806,458)</u>
Revenues	<u>\$ 8,100,000</u>	<u>\$ 8,730,253</u>	<u>\$ 630,253</u>
Total Revenues	<u>\$ 8,100,000</u>	<u>\$ 8,730,253</u>	<u>\$ 630,253</u>

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of French Market Corporation (the Market) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Market's basic financial statements, and have issued our report thereon dated June 13, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paillet, Meunier and LeBlanc, LLP

New Orleans, Louisiana
June 13, 2014

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I – SUMMARY OF AUDITOR'S RESULTS

- A. Control deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements: No. Material weaknesses: No.
- B. Noncompliance which is material to the financial statements: No
- C. Control deficiencies in internal control over major programs: N/A.
Material weaknesses: N/A.
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-13: N/ A
- F. Major programs: N/A.
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.
- I. A management letter was issued: No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

FRENCH MARKET CORPORATION
(A Proprietary Component Unit of the City of New Orleans)
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I – INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS

Not Applicable