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NEW ORLEANS REGIONAL BUSINESS PARK

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

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 8-9-06

New Orleans Regional Business Park

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CURTIS A. MORET
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Independent Auditor's Report

To the Board of Commissioners
of New Orleans Regional Business Park
New Orleans, Louisiana

We have audited the governmental activities and fund financial statements of New Orleans Regional Business Park, as of and for the year ended December 31, 2005 as listed in the table of contents. The governmental activities and fund financial statements are the responsibility of New Orleans Regional Business Park's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the governmental activities and fund financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of New Orleans Regional Business Park as of December 31, 2005, and the changes in financial position of those activities and fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2006, on our consideration of New Orleans Regional Business Park'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 17 through 18 respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles

generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the governmental activities and fund financial statements of New Orleans Regional Business Park.

Curtis A. Moret

Curtis A. Moret
Certified Public Accountant
June 23, 2006



New Orleans Regional Business Park

13801 Old Gentilly Road
New Orleans, Louisiana 70120
(504) 254-4603

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Post Office Box 6334
Metairie, Louisiana 70009

Management's Discussion and Analysis

The New Orleans Regional Business Park assists new and existing businesses in their efforts to expand operations. The funding made available to our agency through a millage and lease collections supports the various needs and programs of the NORBP including outreach, marketing, maintenance of a state owned building, and more.

Financial Highlights:

The New Orleans Regional Business Park (NORBP) generates revenues through the collection of 22.9 mills on the value of commercial properties in the Park (\$229.00 on every \$100,000 of property value). In addition, the NORBP generates rent through collections from tenants that occupy the NORBP owned building at 13801 Old Gentilly Road.

The NORBP employs the services of a Certified Public Accountant consulting firm to oversee the daily financial operations. In addition, the NORBP employs the services of an independent C.P.A. audit firm.

The NORBP Finance Committee meets once monthly to review the consultant declared financial statements. At this meeting the NORBP vice president that performs the daily Operations reports on relevant matters relative to the month's financial operations. The NORBP Board of Commissioners at its once monthly meeting is presented with the results of the Finance Committee's analysis of the finances.

The NORBP's 2005 general operations budget commenced the year with an expected break even projection, with projected expenses and revenues of \$1,169,085.00 respectively. The NORBP Finance Committee and Board of Commissioners during the year added to its budget projected revenues and expenditures in the areas of Sanitation

and Enterprise Park, resulting in a year end projection of a balanced budget with revenues and expenditures of \$880,457.00 respectively.

Comparative Analysis:

Between January and December 2005 projected tax revenues generated by commercial properties was estimated to be \$370,000 at year's end. However due to the effects of Hurricane Katrina this agency only collected \$289,924.00.

During the year this agency received an Economic Development Grant from the City of New Orleans in the amount of \$125,000. A grant was written by staff to implement a program designed to assist small business with the tools to eventually become a viable business. The program was called Virtual Office Suites.

Overall Financial Position:

Management observes that the financial position of the organization decreased during the year. At the commencement of the year, the NORBP Fund Balance totaled \$111,294. By the end of 2005, the Fund Balance totaled \$83,989.00. This resulted from the effects of hurricane Katrina.

Balances and Transactions:

The NORBP commenced 2005 with \$204,631.54 in various accounts at financial institutions. The NORBP ended the year with \$201,121.00 in these accounts. There is no true significance to the difference. Other Assets decreased from \$80,153 to \$9,824.00.

Significant Budget Variations:

There were no significant budget variations in 2005. The NORBP adjusts its budget at least quarterly in anticipation of changing revenues and expenditures.

Capital Asset and Long Term Debt Activity

During 2005 there were no significant changes in capital asset levels. The NORBP incurred no increases in long term debt. The NORBP continues to have no loans.

Maintenance Expenses for Infrastructure Assets

The NORBP owns a building at 13801 Old Gentilly Road. This building and the land on which it sits is valued at approximately \$2.7 million. The building is occupied by one warehouse tenant that occupies over 91,000 square feet, and by individual tenants that rent smaller office spaces. The maintenance budget is adjusted on occasion due to unexpected expenditures. The NORBP will soon perform certain repairs on the building using a grant from the State of Louisiana. The expected revenues and expenditures are booked under "Enterprise Center".

Currently Known Facts, Decisions, or Conditions

The New Orleans Regional Business Park enjoys two relatively stable sources of revenues. The millage that is collected from the commercial property owners will be in place through 2011. The Enterprise Center building is significantly large to break even as long as there is a tenant in the 91,000 square feet of warehouse space.

The millage generates approximately \$325,000 per year. It is of long term concern that there are increasing numbers of properties in the Park that are exempt from the payment of property taxes. In addition, it is of concern that the City of New Orleans is the agent for distribution to the NORBP because the City's Finance Department on occasion delays payment to the NORBP.

The Enterprise Center is a potential liability to the Park. The combination of the need for a building engineer, the cost of utilities, the ongoing cost of regular maintenance, the insurance fees and other liabilities nearly cancels out the benefits of having tenants in the building. The NORBP was once drawn nearly to the point of insolvency because the building was vacant, but fixed expenses remained in place.

In the aftermath of Hurricane Katrina it is important that the NORBP remain aware of the City's ongoing financial difficulties. While residential and commercial tax revenues should stabilize in the coming years, the fact remains that the city's tax collections will be in the immediate term reduced due to relocations of businesses and citizens.

Barring very significant, unforeseen building maintenance expenditures, with a reduction in rent payable for 2006, the NORBP should end 2006 in the Black as it did in 2005.

Commencing in 2010 and continuing in 2011, the NORBP will advertise to voters, requesting that they renew the Park's millage. Should voters reject the request, the NORBP will suffer great financial loss. However, the need to go before Orleans Parish voters is great motivation to attract new businesses and to generate favorable media attention.

The New Orleans Regional Business Park will work to identify outside resources that can support the NORBP programs. It is imperative, in the post hurricane light of potential reduced property tax values, that the NORBP respond now to the need for more independence relative to its funding sources.

The NORBP did respond very well to the difficulties of the financial landscape following the storm. Our agency continued to work closely with the City of New Orleans to identify funding owed to the agency. In addition, the agency did pursue and successfully secured new grant funding support. This aggressive approach in the post hurricane period will serve this agency well as it seeks to continue and grow its level of services provided to the business community.

A handwritten signature in cursive script that reads "Eugene J. Green Jr." The signature is written in black ink and is positioned above a horizontal line.

Eugene J. Green, Jr., President
New Orleans Regional Business Park
egreen@norbp.net

NEW ORLEANS REGIONAL BUSINESS PARK
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

<u>ASSETS</u>	
	<u>GOVERNMENTAL ACTIVITIES</u>
Cash and Cash Equivalents	\$137,345
Receivables	40,625
Prepaid Insurance	13,327
Other Assets	9,824
Capital Assets (Note 3):	
Land, Improvements and Construction in Progress	1,053,618
Other Capital Assets, Net of Depreciation	<u>3,915,337</u>
Total Capital Assets	<u>4,968,955</u>
Total Assets	<u>\$5,170,076</u>
 <u>LIABILITIES</u>	
Accounts Payable	85,072
Accrued Salaries	9,519
Payroll Tax Withholdings	359
Lease Deposit	21,566
Deferred Revenue	<u>616</u>
Total Liabilities	<u>117,132</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets	5,078,460
Unrestricted	<u>(25,516)</u>
Total Net Assets	<u>5,052,944</u>

The accompanying notes are an integral part of the financial statements.

NEW ORLEANS REGIONAL BUSINESS PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

GOVERNMENTAL ACTIVITIES

Functions/Programs	Expenses	Charges for Services	Program Revenues	Operating Grants	Net (Expenses) Revenues and Changes in Net Assets
Enterprise Park	\$232,614	\$-	\$130,550		\$(102,064)
Sanitation	4,400	-			(4,400)
Incubator	101,675	-		125,000	23,325
Virtual Office Suites	15,406	5,132			(10,274)
Administration	622,155	-			(622,155)
Total	976,250	5,132	255,550		(715,568)
General Revenues:					
Property Taxes					289,924
Rental Income					179,909
Castle Rock Settlement					148,231
Other Income					18,978
Total General Revenues					637,042
Change in Net Assets					(78,526)
Net Assets, Beginning of the year					5,176,042
Prior Period Adjustment					(44,572)
Net Assets, End of the year					5,052,944

The accompanying notes are an integral part of the financial statements.

**NEW ORLEANS REGIONAL BUSINESS PARK
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2005**

ASSETS

Cash and Cash Equivalents	\$137,345
Receivables	40,625
Prepaid Insurance	13,327
Other Assets	<u>9,824</u>
Total Assets	<u>201,121</u>

LIABILITIES

Accounts Payable	85,072
Accrued Salaries	9,519
Payroll Tax Withholdings	359
Lease Deposits	21,566
Deferred Revenue	<u>616</u>
Total Liabilities	<u>117,132</u>

FUND BALANCE

Unreserved	83,989
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund at the fund level.	<u>4,968,955</u>
Net Assets	<u>5,052,944</u>

The accompanying notes are an integral part of the financial statements.

NEW ORLEANS REGIONAL BUSINESS PARK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL
FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUES	
Property Taxes	\$289,924
Grants	255,550
Rental Income	179,909
Other Income	24,110
Castle Rock Settlement	<u>148,231</u>
Total Revenues	897,724
 EXPENDITURES	
Salaries	250,514
Payroll Taxes	17,192
Employee Insurance	26,783
Insurance	32,173
Office Supplies	10,997
Telephone	17,434
Automobile Expenses	3,016
Office Expense	10,459
Repairs & Maintenance	44,608
Utilities	42,918
Professional Services	52,027
Marketing	46,206
Capital Expenditures	13,712
Dues and Subscriptions	265
Postage	2,000
Interest	2,362
Rent	41,364
Site Improvement	4,400
Special Projects	246,260
Other	<u>15,767</u>
Total Expenditures	<u>880,457</u>
Change in Fund Balance	17,267
Fund Balance, beginning of the year	111,294
Prior Period Adjustment	<u>(44,572)</u>
Fund Balance, end of the year	<u><u>83,989</u></u>

The accompanying notes are an integral part of the financial statements.

NEW ORLEANS REGIONAL BUSINESS PARK
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, 2005

Net Change in Fund Balance	\$17,267
Government funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>(95,793)</u>
Change in Net Assets	<u>(78,526)</u>

The accompanying notes are an integral part of the financial statements.

**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS**

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**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The New Orleans Regional Business Park (NORBP) is a 7,000 acre Louisiana Enterprise Zone created by the Louisiana Legislature to attract new business and industry through incentives such as sales, use and property tax benefits. **NORBP** also encompasses a 92-acre Foreign Trade Zone which provides additional savings on duty fees.

In 1992, a special project referred to as the "Enterprise Center" (the Center) was initiated in an effort to promote economic growth in the City of New Orleans, by promoting business and industrial development in the district. The Center includes the following components designed to improve the development environment in New Orleans East:

- o Industrial/service based incubator;
- o Advanced technology institute; and
- o College extension programs.

NORBP is used to account for the operations of the district. Its financing sources are derived principally from the proceeds of 20 mills, or \$20 per \$1,000 of assessed value, which is levied on all property within the district for the purpose of constructing roads, sewerage, drainage, water supply systems and other infrastructure improvements to facilitate industrial development.

The Board of Commissioners is composed of twelve (12) members who are appointed by various organizations and public officials and serve without compensation.

The accounting policies of **NORBP** conform to accounting policies generally accepted in the United States of America, as applicable to governmental agencies. The following is a summary of the more significant accounting policies:

The Financial Reporting Entity

NORBP is a special municipal district that was created under Louisiana Revised Statute 33:4701, as amended on June 28, 1995. Through **NORBP's** Board of Commissioners, **NORBP** has the power to acquire, construct, improve, maintain, and operate projects and to provide additional municipal services within the district.

**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Financial Reporting Entity (Continued)

Under GASB Statement No. 14, **NORBP** is considered a primary government and does not include any component units. **NORBP** has powers to incur debt, issue bonds, sue and be sued. Also, the Board of Commissioners has decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Accordingly, management has concluded that **NORBP** is the financial reporting entity within the meaning of the provisions of GASB 14.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all activities of **NORBP**. **NORBP** is considered to be a governmental activity of a special purpose government.

NORBP's statement of activities demonstrates the degree to which the expenses of a given function are offset by function revenues.

Separate financial statements are provided for **NORBP's** governmental fund. The **NORBP's** 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 the related cash flows.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The **NORBP** reports its governmental fund as follows:

General Fund

The General Fund is used to account for all financial resources of **NORBP**.

**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund (Continued)

The operations of the General Fund are comprised of the General Fund's assets, liabilities, fund balance, revenues and expenditures, as related to NORBP's operations.

Capital Assets

NORBP's capitalization policy requires that all single assets costing \$1,000 or more be capitalized and depreciated over their useful lives. Single assets costing less than \$1,000 are expensed. The straight-line method of depreciation is used for all classes of capital assets. The management of NORBP established the following useful lives for each asset class:

<u>Asset Class</u>	<u>Useful Lives in Years</u>
Land	N/A
Building	40
Electrical Substation	40
Automobile	5
Furniture & Equipment	7

All capital assets acquired or donated are valued at historical cost or estimated historical cost if actual historical cost is not available.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Use of Estimates

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

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing time deposits and

**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

Cash and Cash Equivalents (Continued)

money market accounts. Cash equivalents include amounts in short-term investments with original maturities of ninety (90) days or less. Under state law, **NORBP** may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana.

NOTE 2- CASH AND CASH EQUIVALENTS

NORBP had cash and cash equivalents totaling \$137,345 (book balances) at December 31, 2005, as follows:

Cash	\$	135,959
Money market funds		1,386
Total	\$	137,345

NOTE 3- CAPITAL ASSETS

The following is a summary of capital assets for the year ended December 31, 2005:

	Balance January 1, 2005	Additions	Changes	Balance December 31, 2005
Land	1,053,618	-	-	1,053,618
Building	2,742,347	-	-	2,742,347
Electrical Substation	1,340,188	-	-	1,340,188

**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 3- CAPITAL ASSETS (CONTINUED)

	Balance January 1, 2005	Additions	Changes	Balance December 31, 2005
Automobile	15,049	-	-	15,049
Furniture & Equipment	21,419	13,712	-	35,131
Sub-total	5,172,621	13,712	-	5,186,333
Less Accumulated Depreciation	<u>(107,873)</u>	<u>(109,505)</u>	-	<u>(217,378)</u>
Net	5,064,748	(95,793)	-	4,968,955

Depreciation expense charged to each function for the year ended December 31, 2005 is as follows:

Enterprise Park	\$ 102,064
Sanitation	-
Incubator	1,371
Administration	6,070
	<u>109,505</u>

An analysis of changes in accumulated depreciation by asset classification for the year ended December 31, 2005 is as follows:

<u>Capital Asset Class</u>	Balance January 1, 2004	Addition	Balance December 31, 2004
Land	\$ -	\$ -	\$ -
Building	68,559	68,559	137,118
Electrical Substation	33,505	33,505	67,010
Automobile	3,010	3,010	6,020
Furniture & Equipment	2,799	4,431	7,230
	<u>107,873</u>	<u>109,505</u>	<u>217,378</u>

**NEW ORLEANS REGIONAL BUSINESS PARK
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 4- CONCENTRATION OF CREDIT RISK

NORBP'S current principal source of revenues consists mainly of property taxes assessed.

NOTE 5- PRIOR PERIOD ADJUSTMENT

This adjustment consists solely of the write-off of property taxes receivable recorded as revenue in 2003. During the current year, management determined that this amount was overstated.

NEW ORLEANS REGIONAL BUSINESS PARK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 370,000	\$ 289,924	\$ 289,924	\$ -
Grants:				
Enterprise Center	250,000	130,550	130,550	-
City of New Orleans	100,000	95,030	125,000	29,970
Virtual Office Suites	-	5,132	5,132	-
Rental Income	237,260	179,909	179,909	-
Utilities Reimbursement	6,000	6,800	6,800	-
Castle Rock Pavers Payoff	148,000	148,231	148,231	-
Golf Tournament	-	10,400	10,400	-
Interest	200	8	8	-
Other Income	12,000	1,769	1,769	-
Total Revenues	<u>1,123,460</u>	<u>867,753</u>	<u>897,723</u>	<u>29,970</u>
EXPENDITURES				
Salaries	205,000	199,302	207,187	(7,885)
Salaries - Sanitation	42,500	41,692	43,327	(1,635)
Payroll Taxes	16,068	14,025	14,025	-
Payroll Tax-Sanitation	3,250	3,167	3,167	-
Group Hospitalization	30,500	24,030	26,783	(2,753)
Moving Expenses	8,735	7,898	7,898	-
Insurance (Liab./Prop./Damage)	42,000	41,023	32,173	8,850
Grant Writer	5,000	-	-	-
Marketing	97,000	56,729	46,206	10,523
Rent	57,490	41,364	41,364	-
Enterprise Park - Lobbying	10,000	-	-	-
Dues & Subscriptions	500	700	265	435
Postage & Freight	4,000	3,000	2,000	1,000
Professional Services	25,000	19,228	19,228	-
Telephone & Telegraph	14,000	16,267	17,434	(1,167)
Supplies & Material	10,000	10,997	10,997	-
Motor Vehicle - Gas & Oil	1,600	2,952	3,016	(64)
Office Expense	6,817	10,189	10,459	(270)
Golf Tournament	-	3,668	3,668	-
Legal	18,000	2,500	5,691	(3,191)
Accounting & Audit	33,000	27,108	27,108	-
Special Projects	350,000	247,430	246,260	1,170
Sanitation	28,000	4,400	4,400	-
Utilities	59,000	43,979	42,918	1,061
Building Maintenance	56,000	41,998	44,608	(2,610)
Miscellaneous	-	4,107	4,201	(94)

NEW ORLEANS REGIONAL BUSINESS PARK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, CONT.				
Capital Outlays	-	-	13,712	(13,712)
Interest	-	-	2,362	(2,362)
Total Expenditures	1,123,460	867,753	880,457	(12,704)
Excess (deficiency) of Revenues over Expenditures	-	-	17,266	17,266
Fund Balance - beginning of year	261,382	261,382	111,294	(150,088)
Prior Period Adjustment	-	-	(44,572)	(44,572)
Fund Balance - end of year	<u>261,382</u>	<u>261,382</u>	<u>83,988</u>	<u>(177,394)</u>



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**Independent Auditor's Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

To the Board of Commissioners
of New Orleans Regional Business Park
New Orleans, Louisiana

We have audited the governmental activities and fund financial statements of New Orleans Regional Business Park as of and for the year ended December 31, 2005, which collectively comprise the New Orleans Regional Business Park's basic financial statements and have issued our report thereon dated June 23, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Orleans Regional Business Park's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be a material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Orleans Regional Business Park'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*.

This report is intended solely for the information and use of the audit committee, management, and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

Curtis A. Moret

Curtis A. Moret
Certified Public Accountant
June 23, 2006

