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**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Council, or committee, entity and other appropriate public officials. This report is available for public inspection at the Sales Range Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: JUL 20 1993

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 1996**

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

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**& Tervalon**

MEMPHIS, TENNESSEE OFFICE  
ALBANY, GEORGIA OFFICE  
NEW ORLEANS, LOUISIANA OFFICE

**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
New Orleans Business and Industrial District  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of New Orleans Business and Industrial District (NOBID), as of and for the year ended December 31, 1998, as listed in the Table of Contents. These general purpose financial statements are the responsibility of NOBID's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 opinion.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
New Orleans Business and Industrial District  
Page 2

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of New Orleans Business and Industrial District, New Orleans, Louisiana as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 18, 1997 on our consideration of BOBID's internal control structure and a report dated April 18, 1997 on its compliance with laws, regulations, contracts and grants.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

April 18, 1997

NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT  
 COMBINED BALANCE SHEET --  
 GOVERNMENTAL FUND AND ACCOUNT GROUP  
 DECEMBER 31, 1996

	Governmental Fund Type - General Fund	Account Group - General Fixed Assets	Total (Memorandum only-Note 2)
<b>ASSETS</b>			
<b>Assets:</b>			
Cash and cash equivalent (NOTE 2)	\$ 517,028	\$ -0-	\$ 517,028
Funds available -			
City of New Orleans (NOTE 5)	88,435	-0-	88,435
Loan receivable (NOTE 3)	414,253	-0-	414,253
Other assets	8,555	-0-	8,555
Furniture and fixtures (NOTE 4)	-0-	82,382	82,382
Automobile (NOTE 4)	-0-	13,716	13,716
Building improvements (NOTE 4)	-0-	3,375	3,375
Building (NOTES 4)	-----00	2,728,872	2,728,872
<b>Total assets</b>	<b>\$1,822,321</b>	<b>\$2,818,345</b>	<b>\$1,822,321</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 54,198	\$ -0-	\$ 54,198
Payroll taxes payable and accrued expenses	9,516	-0-	9,516
Due to City of New Orleans	48,775	-0-	48,775
Other liabilities	-----9,258	-----0-	-----9,258
<b>Total liabilities</b>	<b>119,743</b>	<b>-----0-</b>	<b>119,743</b>
<b>Fund equity:</b>			
Investment in general fixed assets (NOTE 6)	-0-	2,818,345	2,818,345
<b>Fund balance:</b>			
Unreserved/undesignated	-----902,528	-----0-	-----902,528
<b>Total fund equity</b>	<b>-----902,528</b>	<b>2,818,345</b>	<b>2,725,817</b>
<b>Total liabilities and fund equity</b>	<b>\$1,822,321</b>	<b>\$2,818,345</b>	<b>\$1,822,321</b>

The accompanying notes are an integral part of these  
 general purpose financial statements.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE  
- GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1996**

<b>REVENUES</b>	
Taxes (NOTE 4)	\$ 269,892
Grant revenues (NOTE 6)	228,884
Rental income (NOTE 7)	315,913
Tenant fees	1,364
Other revenues	18,726
Interest income	<u>8,227</u>
<b>Total revenues</b>	<b>1,232,686</b>
<b>EXPENDITURES</b>	
Salaries	269,344
Payroll taxes	28,981
Employee insurance	15,364
Insurance	28,674
Office supplies	11,373
Telephones	9,325
Automobile expenses	4,802
Capital outlays (NOTE 8)	10,824
Bank charges	2,780
Repairs and maintenance	54,257
Professional services-Master Plan (NOTE 8)	200,000
Utilities (NOTE 10)	38,124
Janitorial services	7,589
Permits and interest	2,228
Promotions	88,041
Dues and subscriptions	2,882
Postage	1,994
Professional services	32,492
Printing	4,662
Photographic supplies	1,477
Research and development	6,385
Economic Development Trust	
Fund expenditures (NOTE 8)	294,633
Site improvement	41,314
Building improvements	<u>11,922</u>
<b>Total expenditures</b>	<b>1,249,838</b>
Excess of revenues over expenditures	156,252
Fund balance-beginning of year	<u>582,276</u>
Fund balance-end of year	<b>\$ 738,528</b>

The accompanying notes are an integral part of these  
general purpose financial statements.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL--  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1996**

REVENUES	Budget	Actual	Variance Favorable (Unfavorable)
Taxes	\$ 370,916	\$ 369,892	\$111,024
Grant revenues	916,753	928,898	17,867
Rental income	260,886	315,913	55,107
Tenant fees	-0-	1,364	1,364
Other revenues	-0-	10,726	10,726
Interest income	-0-	5,322	5,322
<b>Total revenues</b>	<b>1,548,625</b>	<b>1,589,038</b>	<b>(42,387)</b>
<b>EXPENDITURES</b>			
Salaries	262,000	265,168	(3,168)
Payroll taxes	20,044	20,901	(857)
Employee insurance	23,903	15,168	8,735
Insurance	29,958	28,674	1,284
Office supplies	5,000	11,173	(6,173)
Telephone	7,100	9,238	(2,138)
Automobile expenses	5,000	4,002	1,008
Capital outlays	5,000	10,828	(5,828)
Bank charges	-0-	2,700	(2,700)
Repairs and maintenance	65,000	54,257	10,743
Professional services-Master Plan	200,000	200,000	-0-
Utilities	14,300	25,228	(10,928)
Janitorial services	-0-	7,599	(7,599)
Penalties and interest	-0-	3,238	(3,238)
Promotions	70,000	85,641	(15,641)
Fees and subscriptions	1,925	2,892	(1,677)
Postage	3,000	1,954	1,046
Professional services	24,500	32,652	(8,152)
Printing	7,000	4,662	2,338
Photographic supplies	2,500	1,477	1,023
Research and development	10,000	0,380	9,620
Economic Development Trust			
Fund expenditures	302,500	294,433	7,867
Sites improvement	15,000	41,224	(26,224)
Building improvements	52,000	21,224	30,776
<b>Total expenditures</b>	<b>1,134,222</b>	<b>1,349,826</b>	<b>(215,624)</b>
Excess of revenues over expenditures	414,403	239,212	(175,811)
Fund balance-beginning of year	551,226	551,226	-0-
Fund balance-end of year	\$ 965,629	\$ 807,528	\$158,101

The accompanying notes are an integral part of these general purpose financial statements.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
December 31, 1994

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Introduction

The New Orleans Business and Industrial District (NOBID) 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. NOBID also encompasses a 52-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.

NOBID is used to account for the operations of the district. The 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. Board members serve without compensation.

Mode of Presentation

NOBID is a special municipal district that was created under Louisiana Revised Statute 13:4701, as amended on June 18, 1995. Through NOBID's Board of Commissioners, NOBID has the power to acquire, construct, improve, maintain, and operate projects and to provide additional municipal services within the district. The Board of Commissioners is composed of twelve (12) members appointed by various organizations and public officials. Board members serve without compensation.

Under GASB Statement No. 14, NOBID is considered a primary government and does not include any component units. NOBID has powers to incur debt, issue bonds, and



**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED**  
**December 31, 1994**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Basis of Presentation, Continued**

and be used. Also, the Board of Commissioners have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. NOBID has yet to receive an opinion from the State of Louisiana's Attorney General on its independence from the City of New Orleans. These financial statements include all of the funds and account groups and activities considered to be part of or controlled by NOBID.

**Fund Accounting**

The accounts of NOBID are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

**Governmental Fund Type**

This is the fund type through which most governmental functions typically are financed. The following fund is used by NOBID:

**General Fund -**

The General Fund is the general operating fund of NOBID. It is used to account for all financial resources except those required to be accounted for in another fund or account group.

**General Fixed Assets Account Group**

This is not a fund but rather an account group that is used to account for general fixed assets required principally for general purposes.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED**  
**December 31, 1996**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Fund Accounting, continued**

**Basis of Accounting**

The General Fund is accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Property tax collections are considered "measurable" when in the hands of the collecting agency and are recognized on revenue of this time.

Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

**Budgetary Data**

MOBID follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year, MOBID is required to prepare a budget and submit it to the Board of Commissioners for approval.
2. Upon review and completion of all actions necessary to finalize and implement the budget, it is then adopted by the Board of Commissioners prior to the commencement of the fiscal year to which the budget applies.
3. Budgetary amendments involving the transfer of funds, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Commissioners.
4. All budgetary appropriations lapse at the end of each fiscal year.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED**  
December 31, 1996

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing time deposits and money market accounts. Cash equivalents include amounts in short-term investments with original maturities of ninety (90) days or less. Under state law, NOBID 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 principal offices in Louisiana.

**Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**Total Column on Combined Balance Sheet - Overview**

The total column on the combined balance sheet - overview is captioned "Memorandum Entry" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present the financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

NOBID had cash and cash equivalents totaling \$817,028 (book balances) at December 31, 1996, as follows:

Cash	\$193,798
Certificate of deposit	180,835
Money market funds	122,407
Repurchase agreements	122,028
Total	\$812,028

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED  
December 31, 1996

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**NOTE 2 - CASH AND CASH EQUIVALENTS, CONTINUED**

Cash 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 bank. 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, 1996, NOBID has \$412,212 in cash deposits (collected bank balances). These deposits are secured from risk by \$298,692 of Federal deposit insurance and \$128,347 of pledged securities held by a custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 59:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified by NOBID that the fiscal agent has failed to pay deposited funds upon demand.

Repurchase agreements (cash equivalents) are one (1) business day investments backed by government securities held by the financial institution.

**NOTE 3 - LOAN RECEIVABLE**

In 1996, the Economic Development Trust Fund (EDF) granted funds to NOBID in the amount of \$418,250 to attract industrial manufacturing facilities to the District. As such, NOBID provided a start-up/working capital loan to Castle Rock Pavers, Inc. The loan bears interest at 8.25, with interest only being collected immediately for seven (7) years and with principal and interest payments to begin eighteen (18) months from the beginning of the term, September 27, 1996. The total amount of the loan is unsecured.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED**  
**December 31, 1986**

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**NOTE 4 - TAX REVENUES**

Tax revenues represent the amount of property tax assessments collected by the City of New Orleans. Presently, the tax is 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.

During the year ended December 31, 1986, tax revenues collected by the City of New Orleans on the New Orleans Business and Industrial District was \$200,892.

**NOTE 5 - FUNDS AVAILABLE - CITY OF NEW ORLEANS**

As of December 31, 1986, MOIBD had \$87,435 available from the City of New Orleans. Below is the activity which took place during the year ended December 31, 1986.

Balance of funds available at December 31, 1985	\$ 44,000	
Tax revenues collected during 1986		200,892
Total funds available		244,892
Less:		
Amounts received from city of New Orleans		(216,500)
Balance of funds available at December 31, 1986		\$ 87,435

**NOTE 6 - CHANGES IN GENERAL FIXED ASSETS**

A summary of the changes in fixed assets is as follows:

Description	January 1, 1986	Additions	December 31, 1986
Furniture and equipment	\$ 51,458	\$ 18,628	\$ 62,382
Automobiles	13,716	-0-	13,716
Building	2,738,972	-0-	2,738,972
Building improvements	1,328	-0-	1,328
	<b>\$2,823,521</b>	<b>\$ 18,628</b>	<b>\$2,818,135</b>

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED**  
**December 31, 1996**

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**NOTE 7 - OPERATING LEASE**

MOBID has entered into rental agreements with tenants which require monthly rental payments. These rental agreements expire on various dates during 1997 and 1998.

**NOTE 8 - GRANT REVENUES AND EXPENDITURES**

In 1996, the City of New Orleans' Economic Development Trust Fund (EDF) and the State of Louisiana granted funds to MOBID. For the year ended December 31, 1996, MOBID earned and expended EDF grant funds as follows:

Grant Program/ Project	Funding Source	Revenue	Expenditure
Business Incentives Program	EDF	\$44,250	\$ -
Attraction Program	EDF	44,600	44,600
Area D Gravit Sewer Line	EDF	26,800	26,800
EDF sub-total		115,650	71,400
MOBID water fee	State of LA	28,200	28,200
Total		\$143,850	\$99,600

**NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The estimated fair value of all significant financial instruments have been determined by the organization utilizing available market information and appropriate valuation methodologies. MOBID considers the carrying amounts of cash and accounts receivable to be fair value.

**NOTE 10 - NET UTILITIES EXPENSE**

For tenants leasing warehouse space, MOBID charges those tenants for utility use. At December 31, 1996, net utility expense is as follows:

utility expense	\$128,175
Reimbursements charged to tenants	(113,051)
Net utility expense	\$15,124

**& Tervalon**

MEMBERS OF BRUNO, TIVALON & COMPANY, L.P.A.  
ALSO SEE LISTING OF FIRM IN THE  
MAGAZINE OF THE STATE OF LOUISIANA

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**INDEPENDENT AUDITORS' REPORT ON THE  
INTERNAL CONTROL STRUCTURE BASED ON AN  
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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To the Board of Commissioners  
New Orleans Business and Industrial District  
New Orleans, Louisiana

We have audited the general purpose financial statements of New Orleans Business and Industrial District (NOBID), for the year ended December 31, 1996, and have issued our report thereon dated April 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of NOBID is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures.

**INDEPENDENT AUDITORS' REPORT ON THE  
INTERNAL CONTROL STRUCTURE BASED ON AN  
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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**(CONTINUED)**

To the Board of Commissioners  
New Orleans Business and Industrial District

In planning and performing our audit of the general purpose financial statements of NOBID for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of NOBID in a separate letter dated April 18, 1997.



INDEPENDENT AUDITORS' REPORT ON THE  
INTERNAL CONTROL STRUCTURE BASED ON AN  
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

To the Board of Commissioners  
New Orleans Business and Industrial District

This report is intended solely for the use of management and the Office of the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by NBIID is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

April 10, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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To the Board of Commissioners  
New Orleans Business and Industrial District  
New Orleans, Louisiana

We have audited the general purpose financial statements of New Orleans Business and Industrial District (NOBID) as of and for the year ended December 31, 1996, and have issued our Report thereon dated April 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards and ~~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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to NOBID is the responsibility of the management of NOBID. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of NOBID's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

To the Board of Commissioners  
New Orleans Business and Industrial District

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. See accompanying status of prior findings and recommendations.

This report is intended solely for the use of management and the office of the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by BOBID is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

April 18, 1999

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

---

**1. SECURITY FOR DEPOSITS**

During our cash test work, we noted that cash (bank balances) in deposit accounts at December 31, 1990 exceeded the amount secured by federal deposit insurance of \$100,000 by \$187,913. However, an agreement was not entered into with the bank holding these deposits to provide the market value of pledged securities plus federal deposit insurance that must at all times equal the amount of deposit with the bank.

We recommend that NOBID establish policies and procedures to comply with the State of Louisiana statutes which require the amount of the security (federal deposit insurance plus pledged securities) be equal, at all times, to 100% of the amount on deposit to the credit of each depositing authority.

Current Status

We noted during our 1991 audit that cash in deposits account were adequately secured as required by State statutes.

**2. BUDGET ADOPTION**

We noted during our audit that NOBID did not adopt a comprehensive budget presenting a complete financial plan of all general fund activities for the 1991 fiscal year as required by Louisiana laws affecting budgeting. Enterprise Center activities, in particular, were not budgeted.

We recommend that NOBID establish and implement procedures to ensure that all general fund activities are included in a comprehensive annual budget.

Current Status

We noted during our 1991 audit that a comprehensive budget was adopted by NOBID.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT  
EXIT CONFERENCE**

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The audit report was discussed at a meeting held on June 27, 1997  
and attended by:

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**

Mr. Joseph M. Bistos, II	President
Mr. Charles J. Southall, III	Finance Committee Chairman
Mr. Dennis Best	Finance Committee Member
Ms. Beverly Bell	Executive Assistant

**BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Michael S. Bruno, CPA	Partner
Mr. Lawrence C. Jones, CPA	Supervisor

*Bruno & Tervalon*

**BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS**

April 18, 1997

**& Tervalon**

ROBERT S. BRUNO, CPA  
SUZANNE J. TERVALON, Ph.D., CPA  
BRUNO & TERVALON, P.C., CPAs

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**

To the Board of Commissioners  
New Orleans Business and Industrial District

We have audited the general purpose financial statements of New Orleans Business and Industrial District (NOBID) for the year ended December 31, 1990 and have issued our report thereon dated April 18, 1992.

In planning and performing our audit of the general purpose financial statements of New Orleans Business and Industrial District (NOBID), we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

In accordance with Government Auditing Standards, as part of our audit, we are required to report to you reportable conditions and material weaknesses. A reportable condition is a significant deficiency in internal controls. A material weakness is a more serious reportable condition that is of such magnitude that it could potentially result in a material misstatement of the financial statements. By definition, all material weaknesses are reportable conditions. Not all reportable conditions, however, are material weaknesses. This management letter reflects some of our suggestions regarding improvements to the NOBID's internal control structure and efficiency. Our aim in this letter is to provide constructive, realistic and an independent view on topics such as organization and efficiency, fiscal matters, and uses of resources.

During our audit we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies and are included in the accompanying Schedule of Current Year Comments and Status of Prior Year Comments.

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Commissioners  
New Orleans Business and Industrial District

This report is intended for the information of the Board of Commissioners, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

April 18, 1987

NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT  
SCHEDULE OF CURRENT YEAR COMMENTS  
DECEMBER 31, 1996

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**RECONCILIATION OF TENANT SUBSIDIARY RECORDS**

We noted during the 1996 audit that tenant subsidiary records of rental income and utility reimbursements are not being utilized on a monthly basis to reconcile amounts recorded to the general ledger.

We recommend that WOBID review its procedures relating to reconciling tenant subsidiary records with amounts recorded to the general ledger to ensure that rental income and tenant fees account balances are properly recorded on a monthly basis.



**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**STATUS OF PRIOR YEAR COMMENTS**  
**DECEMBER 31, 1996**

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**1. FIXED ASSET SUBSIDIARY LEDGER**

We noted during our audit that NOBID does not maintain a detailed fixed asset subsidiary ledger.

We recommend that NOBID establish procedures for maintaining a detailed subsidiary ledger for all capital assets purchased. This ledger should detail at a minimum for each fixed asset category (i.e. building, land, furniture, and equipment) a description, historical cost, location and date of purchase of the capital asset. Also, we recommend that NOBID take a physical inventory of fixed assets to support amounts recorded in the subsidiary ledger.

**Current Status**

We noted during our 1996 audit that NOBID's fixed asset subsidiary ledger is not complete. For certain fixed assets, the subsidiary ledger does not include their date of purchase and initial cost.

**2. PAYROLL TAXES**

We noted during our 1996 audit that federal payroll tax deposits were not made on a timely basis resulting in excessive penalty and interest assessments.

We recommend that NOBID immediately take steps to ensure that federal payroll tax deposits are timely made to authorized depositories as required by the Internal Revenue Service.

**Current Status**

We noted during our 1996 audit that federal/payroll tax deposits were timely made.

**NEW ORLEANS BUSINESS AND INDUSTRIAL DISTRICT**  
**STATUS OF PRIOR YEAR COMMENTS,**  
**CONTINUED**  
**DECEMBER 31, 1996**

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3. **BOARD OF COMMISSIONERS MEETINGS**

We noted during our 1995 audit that four (4) meetings of the Board of Commissioners were not held during to lack of quorum.

Since the powers of BOICB vest with the Board of Commissioners, we recommend the Board meetings be attended by the required number of Commissioners to constitute a quorum. This will allow all necessary business to be appropriately acted upon.

Current Status

We noted during our 1996 audit that two (2) meetings of the Board of Commissioners were not held due to lack of quorum. This is an improvement over the prior year and Board members should continue to attend all required meetings.