

**NEW ORLEANS REGIONAL BUSINESS PARK
(ENTERPRISE CENTER)
FINANCIAL STATEMENT AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Orleans Regional Business Park
(ENTERPRISE CENTER)
New Orleans, Louisiana

I have audited the accompanying financial statements of **NEW ORLEANS REGIONAL BUSINESS PARK (NORBP)**, as of December 31, 2019, and the related notes to the financial statements, which collectively comprise NORBP'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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my 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 I 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 consolidated 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

Auditor's Responsibility, Continued

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, I express no such opinion. An audit also includes 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **NORBP** as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in **Note 10** to the financial statements, **NORBP** may be impacted by disruptions in the economy and business operations associated with the coronavirus (COVID-19) pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the COVID-19 outbreak may impact NORBP's financial position or statement of activities cannot be reasonably estimated at this time. My opinion is not modified with respect to this matter.

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 4 through 5 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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 Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 26, 2020, on my consideration of NORBP's internal control over financial reporting and on my 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 my 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 NORBP's internal control over financial reporting and compliance.



VGR, CPA
New Orleans, Louisiana

September 26, 2020

NEW ORLEANS REGIONAL BUSINESS PARK

Management Discussion and Analysis

For the year ended December 31, 2019

The New Orleans Regional Business Park (NORBP) was created by the Louisiana State Legislature. The NORBP manages, develops and operates a 7,000 acre commercial and industrial park in Easter New Orleans. The Business Park, post Katrina, is home to approximately 77 businesses generating billions of dollars of annual sales, employing thousands of residents from the New Orleans region and producing millions of dollars of tax revenue for the City of New Orleans. NORBP also provides assistance to new and existing business to help them expand operations, train and improve the skills of existing employees, explore upstream and downstream marketing opportunities and seek other resources all in an effort to enhance the value of the capital investment our businesses have made in then- operations here in the Business Park. NORBP's operations are principally funded by rental income from a tenant in its Enterprise Center. These revenues also support the various programs of NORBP which include business retention/expansion, marketing outreach, business development, Enterprise Center maintenance and more.

FINANCIAL HIGHLIGHTS

The NORBP employs the services of a Certified Public Accountant consulting firm to produce monthly financial statements associated with the daily operations of the Park. In addition, the NORBP employs the services of VGR,CPA LLC to produce the agency's annual review.

NORBP's operations are also monitored by a Finance Committee of its Board of Commissioners. This Committee meets monthly to review the Park's operations and the monthly CPA-prepared financial statements. At these meetings, the NORBP Executive Director discusses the daily operations of the Park and all relevant matters, financial and non-financial, that may have relevance to the organization's financial operations. The NORBP Board of Commissioners at its monthly meeting is presented with results of the Finance Committee's analysis of the finances.

In 2019, NORBP had \$251,856 in revenue; of which \$243,450 was tenant rental income. Its operating expenses were \$114,369 which resulted in excess revenues over expenditures of \$137,487 for the year.

OVERALL FINANCIAL POSITION

At December 31, 2019, NORBP's net position totaled \$3,420,798 which included \$3,173,647 in Property, Plant & Equipment.

BALANCES AND TRANSACTIONS

The NORBP began 2019 with an actual cash balance of \$177,456 in various accounts at financial institutions. NORBP ended the year with an actual cash balance of \$291,645 in these accounts.

CAPITAL ASSETS AND LONG TERM DEBT ACTIVITY

At December 31, 2019, NORBP owned capital assets (land, building, furniture, fixtures and equipment) which had a gross book value of \$4,838,700 and related accumulated depreciation of \$1,665,053. NORBP incurred no long-term debt and continues to operate without the use of any borrowed funds.

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 \$3.2 million. The building is occupied by one warehouse tenant that utilizes approximately 90,617 square feet. The maintenance budget is adjusted occasionally for anticipated repairs and maintenance expenditures. In years past, NORBP has performed various repairs on the building using grants from the State of Louisiana.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The NORBP main source of revenue is rental income from its building. NORBP will endeavor to gain the support of the New Orleans voting citizens to re-enact a commercial property tax millage which expired in 2012. NORBP continues to implement strategies that seek other revenue sources, programs and activities that can augment, support and expand NORBP programs. NORBP constantly markets its land and building assets to insure that the organization maximizes the value of its resources. NORBP continues to have a high degree of interest in all recovery efforts in the New Orleans region.

CONTACTING NORBP'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with an overview of NORBP's finances and to show NORBP's accountability for the funds it receives. If you have questions about this report or need additional financial information, please feel free to contact:

New Orleans Regional Business Park
Attn: Finance Committee
13801 Old Gentilly Road
New Orleans, LA 70129
Phone: (504) 254-4603

NEW ORLEANS REGIONAL BUSINESS PARK
(ENTERPRISE CENTER)
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019

ASSETS

Assets:

Current Assets:

Cash and equivalents 291,645

Accounts Receivable -

Prepaid Insurance 6,415

Total Current Assets 298,060

Fixed Assets:

Buildings and Equipment 3,173,647

Total Fixed Assets 3,173,647

Total assets 3,471,707

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts Payable 30,421

Security Deposits 14,758

Total liabilities 45,180

Net Position (NOTE 2):

Net Investment in Capital Assets 3,173,647

Unrestricted 252,881

Total net assets 3,426,528

Total liabilities and net assets 3,471,707

The accompanying notes are an integral part of these financial statements

NEW ORLEANS REGIONAL BUSINESS PARK
(ENTERPRISE CENTER)
STATEMENT OF ACTIVITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2019

Governmental Activities:	Program Revenues			Net (Expenses) Revenue and changes in Net Position
Functions/ Programs	Expenses	Charges for Services	Operating Grants	in Net Position
Enterprise Park	\$0.00	\$0.00	\$0.00	\$0.00
Sanitation	224,961	-	-	224,961
Administration	-	-	-	-
Total	\$224,961	\$0.00	\$0.00	224,961
General revenues				-
Rental Income				244,026
Other Income				7,830
Total General revenues				251,856
Change in Net Position				26,895
Net Position				
Beginning of year				2,620,689
Adjustment to Beginning Of year				781,382
Beginning of year As restated				3,402,071
End of year				\$3,428,966

The accompanying notes are an integral part of these financial statements

**NEW ORLEANS REGIONAL BUSINESS PARK
(ENTERPRISE CENTER)
BALANCE SHEET
GOVERNMENTAL FUND TYPE
AS OF DECEMBER 31, 2019**

ASSETS

Cash (Notes 2 and 5)	291,645
Prepaid Insurance (Note 4)	<u>6,415</u>
TOTAL ASSETS	<u>298,060</u>

LIABILITIES

Accounts Payable	30,421
Lease Deposits (Note 8)	<u>14,758</u>
TOTAL LIABILITIES	<u>45,179</u>

FUND BALANCE

Unassigned	252,881
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources therefore are not reported in the governmental fund at the fund level	3,173,647

NET POSITION	3,426,528
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The accompanying notes are an integral part of these financial statements.

**NEW ORLEANS REGIONAL BUSINESS PARK
(ENTERPRISE CENTER)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

REVENUE

Rental Income	243,450
Interest Income	576
Other Income	<u>7,830</u>

TOTAL REVENUE **251,856**

EXPENDITURES

Insurance	38,229
Marketing	163
Miscellaneous	41
Accounting Fees	7,600
Professional Services	7,356
Interest	1,600
Telephone	610
Sanitation	5,850
Utilities	46,874
Building Repairs	<u>314</u>

TOTAL EXPENDITURES **108,639**

Excess of expenditures over revenues **143,217**

Fund balance at beginning of year **150,942**

Adjustments to fund balance at beginning of year **-**

Fund balance at beginning of year restated **150,942**

Fund balance at end of year **294,159**

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

**NEW ORLEANS REGIONAL BUSINESS PARK
(ENTERPRISE CENTER)
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Total Net Changes in fund balance at December 31, 2019 Per Statement of Revenue, Expenditures and Changes in Fund Balance	26,895
<p>The Changes in Net Position is reported for the governmental activities in the Statement of Activities is different because:</p>	
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 deprecation exceeded net capital outlays in the current period.	<u>-116,322</u>
Total changes in net position of governmental activities At December 31, 2019	-89,427

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

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

NOTE 1 - Organization:

General

The New Orleans Regional Business Park (NORBP) is a 7,000 acre Louisiana Enterprise Zone created by the Louisiana Legislature to attract 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” 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:

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

NORBP is used to account for the operations of the district. Its financing sources are derived principally from tenant rent revenues.

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:

NOTE 2 - Summary of Significant Accounting Policies:

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, NORBP considers all short-term, highly liquid investments with maturity of three months or less at the time of purchase to be cash equivalents.

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

NOTE 2 - Summary of Significant Accounting Policies:

Financial Reporting Entity, Continued:

Financial Reporting Entity

Government Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity" established standards for defining and reporting on the financial entity. GASB 14 indicates that the focal point for the financial reporting entity is the primary government, which is considered to be any state government or local government or a purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

NORBP was established as a separate legal entity with a governing board. Separate and independent of any other governmental "reporting entity" as defined by GASB 14. Accordingly, management has concluded that NORBP is a financial reporting entity within the meaning of the provisions of GASB 14.

Basis of Presentation

As required by Louisiana State Reporting Law (R.S. 24:514), **the NORBP's** financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

Specifically, the accounts of NORBP are accounted for under the general fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and applied to government units.

The term basis of accounting is used to determine when a transaction or event is recognized on NORBP's operating statement. NORBP used the modified accrual basis of accounting. Under this basis, revenues are recorded when measurable and available, and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows.

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

NOTE 2 - Organization and Summary of Significant Accounting Policies:

Capital Assets

Capital assets are recorded at cost or estimated costs. Donated assets are valued at estimated fair value at time of receipt. When no historical records are available, capital assets are valued at estimated historical costs. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

The costs of normal maintenance and repair that add to the value of an asset or materially extend the asset's lives are capitalized.

Capital assets are depreciated by NORBP using the following estimated useful lives.

ASSETS	Estimated Useful Lives in Years
Building	40
Building improvements	20
Equipment	3-7

Depreciation is computed using the straight-line method,

Estimates

The preparation of the 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 amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

NOTE 3 - Prepaid Expenses:

Prepaid items at December 31 2019 consisted of prepaid Insurance of \$6,415

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

NOTE 4 - Capital Assets, net

	Beginning Balance	Additions	Total
Land and Land Improvements	1,053,618	-0-	1,053,618
Building and Building Improvements	3,700,776	38,841	3,739,617
Furniture and Equipment	<u>45,465</u>	<u>-0-</u>	<u>45,465</u>
	4,799,859	38,841	4,838,700
Less Accumulated Depreciation	<u>-2,330,112</u>	<u>665,059</u>	<u>-1,665,053</u>
Total	<u>2,469,747</u>	<u>703,900</u>	<u>3,173,647</u>

NOTE 5 - Cash and Cash Equivalents:

NORBP maintains cash balances at several national banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2019, NORBP's bank balances were \$218,061 and \$44,643 respectively. The entire amounts were covered by federal depository insurance.

NOTE 6 - Property Tax Revenues:

In years past, NORBP received millage revenue derived from property taxes paid by real estate owners located in NORBP's geographical footprint. The millage expired after year 2011. However, NORBP still collects any monies paid by delinquent property tax payers for property taxes owed through year 2011. However, in year 2019, NORBP received no such sums.

NOTE 7 - Lease Deposits:

The New Orleans Regional Business Park holds security deposits for the rental space leased by tenants. The Lease Deposits as of December 31, 2019 was \$14,758.

NOTE 8 - Economic Dependency:

The primary source of revenue for NORBP is it's sole tenant. The continued success of NORBP is dependent upon the renewal of the rental agreement as well as obtaining new funding.

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

NOTE 9 - Prior Period Adjustment:

New Orleans Regional Business Park determined that its prior years' depreciation expense was overstated by a cumulative amount of \$778,944. A significant factor in this overstatement of depreciation was attributable to one particular fixed asset which NORBP had determined it did not actually own due to an underlying lease arrangement on the fixed asset. As a result, at December 31, 2019, NORBP decreased its accumulated depreciation which increased its Net Investment in Capital Assets by this amount.

NOTE 10 - Contingencies:

NORBP is party to a claim dated April 4, 2016. In the opinion of management, the outcome of such actions will have no material impact on NORBP's financial condition or results of operations. However, management has recorded a contingent liability for the full amount of the claim.

Additionally, management has a payable recorded relative to utility expenses due as of December 31, 2019. Management is currently disputing the outstanding balance and it is managements position that the reduction of this balance will honored.

NOTE 10 - Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued September 20, 2020, and determined the following items require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. On March 11, 2020, the Mayor of New Orleans declared a State of Emergency due to COVID-19. Subsequently, the Governor of Louisiana and the Mayor of New Orleans through a series of proclamations and orders limited gatherings of various types and placed restrictions on commercial business activities, which ultimately culminated in the issuance of a "Stay at Home Mandate" for Orleans Parish by the Mayor on March 20, 2020, and by the Governor on March 22, 2020. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in the local area and around the world. While it is unknown how long these conditions will last and what the complete financial effect will be to the NORBP, to date, NORBP is not experiencing any decline in lease revenue.

SUPPLEMENTARY INFORMATION

NEW ORLEANS REGIONAL BUSINESS PARK
SCHEDULE OF AGENCY HEAD COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2019

Act 706 of the 2019 Legislative Session requires the disclosure of the total compensation, reimbursement, benefits, and other payments made to the agency head, political subdivision head or Chief executive officer, related to the position; including but not limited to travel housing, un-vouchered expenses (such as travel advances) per diem, and registration fees. The NORBP did not have any agency head, political subdivision head or Chief executive officer in 2019.



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

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

I 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 **New Orleans Regional Business Park (NORBP)** (a non-profit organization) as of December 31, 2019, and the related notes to the financial statements, which collectively comprise the financial statements, and have issued my report thereon dated September 26, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **NORBP's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **NORBP's** internal control. Accordingly, I do not express an opinion on the effectiveness of **NORBP'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. I consider the deficiencies described in Schedule II in the accompanying schedule of findings and questioned costs to be significant deficiencies (2019- 01).

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

(CONTINUED)

Internal Control Over Financial Reporting, Continued

Management's responses to the internal control over compliance findings identified in my audit are included in the accompanying Management's Corrective Action Plans and Responses to the Findings and Recommendations. New Orleans Regional Business Park's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, I express no opinion on the responses.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **NORBP's** financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in Schedule II in the accompanying schedules of findings and questioned costs as item 2019-01.

Purpose of this Report

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



VGR, CPA

New Orleans, Louisiana

September 26, 2020

NEW ORLEANS REGIONAL BUSINESS PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

Audit Finding Reference Number

2019-01 – Governance and Oversight

Criteria

Louisiana Revised Statutes 33:4702 In order to provide for the orderly planning, development, acquisition, construction, and effectuation of the services, projects, improvements, and facilities to be provided or furnished by the district, and to provide for the representation in the affairs of the district of those persons and interests immediately concerned with and affected by the functions, operation, purposes, and developments of the district, the New Orleans Regional Business Park shall be managed by a board of commissioners comprised of qualified voters and residents of the city of New Orleans. Moreover, the board shall be composed of thirteen members who shall be appointed by various councilpersons and State Representatives.

Louisiana Revised Statutes 22:20 Written minutes. If the public body has a website, the public body shall post on its website a copy of the minutes made available pursuant to Paragraph (1) of this Subsection and shall maintain the copy of those minutes on the website for at least three months after the posting. If the public body is required to publish its minutes in an official journal, the public body shall post its minutes on its website as required by this Paragraph within ten days after publication in the official journal. If the public body is not required to publish its minutes in an official journal, the public body shall post its minutes on its website as required by this Paragraph within a reasonable time after the meeting. The inability of the public to access the public body's website due to any type of technological failure shall not be a violation of the provisions of this Chapter.

NEW ORLEANS REGIONAL BUSINESS PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

Audit Finding Reference Number

2019-01 – Governance and Oversight, Continued

Conditions and Perspective

NORBP failed to establish and/or follow appropriate procedures to ensure that Louisiana statutes are observed.

- New Orleans Regional Business Park only had two board members throughout the year 2019
- A review of the website that the minutes of Board meetings had not been posted since December 2015
- The NORBP does not have comprehensive policies and procedures covering all essential operations.

The aforementioned conditions may result in a lack of oversight and management having to postpone important decisions until an the appropriate number of Board members are acquired. The condition also limits the effectiveness of management to make financial decisions regarding **New Orleans Regional Business Park** during the year as a result of undersupplied number of board members.

Cause

NORBP failed to adhere to policies and to state statutes to ensure the business park is being governed properly.

Effect

New Orleans Regional Business Park , Inc. is in non-compliance with Louisiana Revised Statutes (La. R.S.) 42:20 La. R.S. 43:143-144 and 43:171(A)

NEW ORLEANS REGIONAL BUSINESS PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

Audit Finding Reference Number

2019-01 – Governance and Oversight, Continued

Recommendation

I recommend the board and management review Louisiana statutes regarding board size and reporting with an emphasis on being compliant. Also I recommend that the board review staffing needs and evaluate those responsibilities and duties.

Management's Response

In the year 2020, NORBP installed thirteen (13) new board members so as to become compliant with the legislation which created NORBP. Meetings are now being duly noticed and held on a monthly basis. Minutes are being taken at the meetings as required. We have now re-published our website which is where we will post the meeting notices and minutes going forward. In the coming months, the Board intends to enter into a strategic partnership which will resolve its staffing needs.

NEW ORLEANS REGIONAL BUSINESS PARK
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Audit Finding Reference Number

2013-01 – Legislative Audit Advisory Service Report

Criteria:

In October 2013, the Louisiana Legislative Auditor issued an advisory services report relating to the practices review of The New Orleans Regional Business Park. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action. The matters are as follows:

Conditions:

- The strategic plan does not identify the mission of the NORBP and the objectives are general in nature and do not appear to be measurable.
- The NORBP does not have comprehensive policies and procedures covering all essential operations.
- There is a lack of controls necessary to promote an ethical environment within the office of the NORBP (e.g., no ethics policies and procedures; Board members and employees not required to sign an annual certification letter attesting to their compliance with ethics laws/policies).
- Minutes of Board meetings were not always prepared (and maintained) as required by Louisiana Revised Statute (La. R.S.) 42:20.
- Board minutes are not published in the entity's official journal as required by La. R.S. 43:143-144 and 43:171(A).
- A records retention schedule has not been prepared and submitted to the Louisiana Secretary of State's office for approval as required by La. R.S. 44:36 and 44:411.
- The NORBP lacks formal guidance/procedures to help ensure that the Board is fully complying with La. R.S. 42:16-17 relative to conducting executive sessions.
- There is a lack of controls over credit card usage (e.g., business purpose not documented and no consistent review performed of credit card use and charges).
- There is a lack of controls over cell phone usage (i.e., no review performed of cell phone use and charges).
- There is a lack of controls over the preparation, review, and approval of employee time sheets.
- There is a lack of controls over the administration and accounting of employee leave (e.g., employee leave balances are not accounted for and there is no formal system for requesting the use of leave, including requiring supervisory approval).

NEW ORLEANS REGIONAL BUSINESS PARK
SCHEDULE OF PRIOR YEARS FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Audit Finding Reference Number

2013-01 – Legislative Audit Advisory Service Report (Continued)

- Although payroll is processed by an outside third party, there is no internal review performed (by NORBP personnel) to ensure that the payroll was processed accurately.
- There is a lack of controls to ensure that NORBP receives accurate rent payments.
- The NORBP did not have an adequate financial plan, including marketing strategies, to address and eliminate deficit spending.

Status :

Partially Resolved

Managements Response:

Since 2013, NORBP's management has made great strides in correcting the items above while pushing forth the mission and work of the Business Park. Since 2013, NORBP has:

- Updated our website to include our mission and noted objectives and accomplishments, and additionally continuing to post board meeting minutes;
- Eliminated all creditcards;
- Eliminated company cell phones;
- Eliminated deficit spending;
- Restructured human resources such that employee time sheets, and the administration and accounting of employee leave are no longer applicable;
- Implemented effective controls over receipt of rent payments;

NORBP's new board of commissioners is committed to taking formal action to resolving the remaining conditions listed above.

**NEW ORLEANS REGIONAL BUSINESS PARK
LOUISIANA LEGISLATIVE AUDITOR
AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES.....1



Independent Accountant's Report
on Applying Agreed-Upon Procedures

Board of Commissioners
Of New Orleans Regional Business Park
New Orleans, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of New Orleans Regional Business Park and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about New Orleans Regional Business Park compliance with certain laws and regulations during the fiscal year ended December 31, 2019 included in the accompanying Louisiana Attestation Questionnaire. Management of New Orleans Regional Business Park is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

I examined the check detail and noted: No expenditures exceeded \$30,000 during the year for materials and supplies; No expenditure was made for public works that exceeded \$150,000. No further examination necessary to be in accordance with the provisions of R.S. 38:2211-2296.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management was unable to acquire responses from commissioners.

Management's Response

Management contacted Commissioners who served on the 2019 Board of Commissioners regarding this above captioned request for information. The Commissioner have not responded. This may be attributed to the fact that they are no longer members of the Board of Commissioners due to the recent passage of legislation reconstitution the Board of Commissioners or, in some cases it is owing to Commissioners' replacement by their appointing authorities.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no paid employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon Procedure 3 were also included on the listing obtained from management in agreed-upon Procedure 2 as immediate family members.

N/A as there were no employees during the period as noted in Procedure 3.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management was unable to provide me with a copy of the original budget or any amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

Based on my review, no minutes were available for the period under report.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures to determine if actual expenditures exceed budgeted amounts by 10% or more per category or 5% or more in total).

I was unable to obtain a final budget to compare to the revenues and expenditures to actual revenues and expenditures.

Management's Response re: Budgeting (#5-7 above)

Only two (2) of the New Orleans Regional Business Park's appointing authorities had an active Board appointment for the year 2019. As such, there was an insufficient number of Board members to have a meeting quorum and NORBP did not have any Board meetings in 2019 and thus no formal budget was ever adopted.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account; and

I examined supporting documentation for each of the six selected disbursements and found that the payments were properly coded to the proper fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

I examined the supporting documentation of the six selected disbursements and noted that they were properly approved the disbursements.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

No meetings were held. Thus, there were no agendas for meetings.

Management's Response re: Meetings (#9 above)

Only two (2) of the New Orleans Regional Business Park's appointing authorities had an active Board appointment for the year 2019. As such, there was an insufficient number of Board members to have a meeting quorum and NORBP did not have any Board meetings in 2019.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

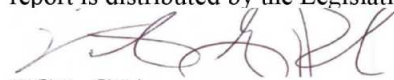
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advance, or gifts.

As noted in #3 above, NORBP did not have employees. Thus, there were no bonuses, gifts or advances.

Prior Comments and Recommendations

The prior year report, dated June 28, 2019 included a finding 2013-1 Legislative Audit Advisory Service Report and 2013-2 Program expenditures not noted.

This report is intended solely for the use of management of New Orleans Regional Business Park and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



VGR, CPA

New Orleans, Louisiana

September 26, 2020