

**Independent Auditors' 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***

New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

We have audited the financial statements of Louis Armstrong New Orleans International Airport (the Airport) as of and for the year ended December 31, 2008, and have issued our report thereon dated June 29, 2009. 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 the Airport's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport'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 one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and responses as item 2008-1.

This report is intended solely for the information and use of the New Orleans Aviation Board, City Council of the City of New Orleans, Louisiana, the Airport's management, the legislative auditor of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Neff

Metairie, Louisiana
June 29, 2009



LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Schedule of Findings and Questioned Costs

Year ended December 31, 2008

Finding 2008-1

Ownership of Common Stock

<i>Criteria:</i>	LSA-RS Title 33:2955 list the types of investments that political subdivisions are authorized and directed to invest monies in.
<i>Condition:</i>	The Airport acquired common stock through the bankruptcy of three airlines. The Airport did not sell the stock upon receiving access to the stock. Under Louisiana Revised Statutes LSA-RS Title 33:2955 ownership of such stock is not allowed.
<i>Cause:</i>	The issue resulted from the Airport obtaining the common stock due to bankruptcy proceedings of three airlines. The Airport did not immediately obtain access to the accounts. Between the time the stock was obtained and the time the Airport received access to the accounts, the stock lost value. Management wanted to hold the stock to see if the value would rise.
<i>Effect:</i>	The Airport did not comply with the above requirements.
<i>Recommendation:</i>	We recommend that the stock be sold.
<i>Views of Responsible Officials and Planned Corrective Action:</i>	Management has received an opinion of course, substantially to the effect that the provisions of LSA-RS 33:2955 are not applicable to stock in airlines received involuntarily as a result of bankruptcy proceeds and not from the investment of moneys at management's discretion. Accordingly, the stock will be sold at the earliest point in time when management determines in its business judgment such sale is in the Airport's best financial interest.
<i>Current Status:</i>	Unresolved

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Summary Schedule of Prior Year Findings and Questioned Costs

Year ended December 31, 2008

Finding 2007-1

Wire Transfers

Recommendation: We recommend that procedures be put in place so that a staff member other than the one that called in or submitted the wire transfer has to authorize the wire.

Current Status: Resolved

Finding 2007-2

Ownership of Common Stock

Recommendation: We recommend that the stock be sold.

Current Status: Not resolved- See repeat finding 2008-1.