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NEW ORLEANS
STATE ARCHIVES
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NEW ORLEANS
METROPOLITAN CONVENTION
& VISITORS BUREAU, INC.

December 31, 1996

Audit of Financial Statements

December 31, 1996
and
December 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and other appropriate public officials. The report is available for public inspection at the State Budget Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Balance Date 12/31/96

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Board of Directors
New Orleans Metropolitan
Convention & Visitors Bureau, Inc.

Independent Auditor's Report

We have audited the accompanying statements of financial position of **NEW ORLEANS METROPOLITAN CONVENTION & VISITORS BUREAU, INC.** (the "BUREAU") (A Nonprofit Organization) as of December 31, 1996 and 1995, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the BUREAU's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **NEW ORLEANS METROPOLITAN CONVENTION & VISITORS BUREAU, INC.**, at December 31, 1996 and 1995, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note A to the financial statements, the BUREAU adopted Statement of Financial Accounting Standards (SFAS) 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations" in 1995.

In accordance with Government Auditing Standards, we have also issued a report dated May 17, 1997, on our consideration of the BUREAU's internal control structure and a report dated May 12, 1997, on its compliance with laws and regulations.

Anthony J. King, III
A Professional Accounting Corporation

May 12, 1997

A Professional Accounting Corporation

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**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	<u>December 31,</u>	
	<u>1996</u>	<u>1995</u>
CURRENT		
Cash and Cash Equivalents	\$ 3,970,848	\$ 11,841,820
Accounts Receivable, Less Allowance for Doubtful Accounts of \$13,256 in 1996 and \$20,000 in 1995	2,641,624	2,467,611
Due from New Orleans Tourism Marketing Corporation	210,218	214,278
Inventory	282,794	345,763
Prepaid Expenses	<u>146,703</u>	<u>118,808</u>
Total Current Assets	<u>5,252,187</u>	<u>15,978,280</u>
INVESTMENTS		
Securities at Fair Value	<u>9,189,858</u>	<u>-</u>
EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture and Fixtures	198,828	148,472
Equipment	978,661	821,798
Leasehold Improvements	955,196	914,311
Transportation Vehicles	<u>129,298</u>	<u>182,342</u>
	2,261,983	2,066,923
Less: Accumulated Depreciation and Amortization	<u>(1,382,444)</u>	<u>(1,273,351)</u>
Net Equipment and Leasehold Improvements	<u>879,539</u>	<u>793,572</u>
OTHER ASSETS	<u>5,431</u>	<u>3,431</u>
Total Assets	<u>\$17,486,620</u>	<u>\$15,857,384</u>

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

LIABILITIES AND NET ASSETS

	December 31,	
	1996	1995
CURRENT LIABILITIES		
Accounts Payable	\$ 380,799	\$ 1,572,312
Deferred Income	191,364	967,219
Other Accrued Liabilities	<u>388,817</u>	<u>243,700</u>
Total Current Liabilities	<u>860,980</u>	<u>2,883,231</u>
UNRESTRICTED NET ASSETS		
Undesignated	15,936,104	13,338,688
Designated for Marketing Corporation	<u>347,314</u>	<u>216,188</u>
Total Net Assets	<u>16,283,418</u>	<u>13,554,876</u>
Total Liabilities and Net Assets	<u>\$17,408,600</u>	<u>\$15,937,104</u>

**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
STATEMENTS OF ACTIVITIES**

	For The Years Ended	
	December 31,	
	1996	1995
UNRESTRICTED NET ASSETS		
Revenue and Support		
Appropriations From Government Agencies	\$ 3,199,814	\$ 6,884,956
New Orleans Tourism Marketing Corporation Funding	1,100,300	1,166,791
Membership Dues	1,262,488	1,154,799
Federal Award	-	385,619
Reservation Fees	112,610	600,738
Registration, Mtg	936,824	742,936
Investment Return	1,154,364	698,589
Advertising	435,846	487,781
Donated Facilities	38,993	78,646
Posters and Brochures	14,143	13,484
Special Tourism Funds	862,619	73,588
Other Revenue	<u>93,778</u>	<u>41,752</u>
Total Revenue	<u>80,362,614</u>	<u>12,193,849</u>
Expenses		
Program Services:		
Convention Sales and Services	2,254,812	1,938,160
Tourism Promotion	1,217,694	887,183
Public Affairs	487,849	272,567
New Orleans Tourism Marketing Corporation	1,088,349	1,118,119
Member Services	403,185	88,213
Federal Award	-	382,609
Housing	345,178	363,900
Supporting Services:		
General and Administration	<u>1,315,629</u>	<u>1,398,682</u>
Total Expenses	<u>7,511,816</u>	<u>7,188,848</u>
Increase in Unrestricted Net Assets	2,648,588	5,005,001
NET ASSETS - BEGINNING OF YEAR	<u>13,873,880</u>	<u>8,861,364</u>
NET ASSETS - END OF YEAR	<u>16,522,468</u>	<u>13,866,365</u>

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

New Orleans Metropolitan Convention
& Visitors Bureau, Inc.
May 12, 1997
Page 2

We have already discussed these comments and suggestions with Ruth Davis and we will be pleased to discuss them in further detail at your convenience or to assist you in implementing the recommendations.

This letter is intended solely for the information and use of the Bureau's Board of Directors and management and should not be used for any other purpose.

We appreciate the confidence you have placed in us by allowing us to serve the BUREAU as Certified Public Accountants. If we can assist you in any way with the above, or other matters, please do not hesitate to contact us.

Very truly yours,

LAFORTE, SCHEIT, HOMIG & HAND
A Professional Accounting Corporation



James F. Hand III
Certified Public Accountant



May 21, 1997

Officers and Board of Directors
New Orleans Metropolitan Convention
& Visitors Bureau, Inc.

Ladies and Gentlemen:

We would like to take this opportunity to thank your employees for the cooperation given us during our audit of the financial statements of NEW ORLEANS METROPOLITAN CONVENTION & VISITORS BUREAU, INC. for the year ended December 31, 1996. During the course of our audit, we discussed areas of an operational nature with management. Presented below is an area that we believe should be brought to your attention, together with our observations. This letter does not affect our report dated May 13, 1997 on the financial statements of the BUREAU.

Computer System

During our review of the electronic data processing system maintained by the Bureau, we noted in several instances that specific report requests could not be performed in order to accurately evaluate membership dues income. During the course of our audit, we attempted to produce reports reconciling actual amounts of membership dues earned, receivable at year end and deferred to the 1997 fiscal year. Since the system was not able to accurately "break down" monthly payments into annual and quarterly revenues at December 31, 1996, we were required to perform alternative procedures to satisfy our testing of the completeness and allocation of the dues received. These reports were customarily designed by C&I and are an important tool used by management to review the activity of member dues.

We also noted a situation in which the accounting department was unable to produce a monthly billing run due to a flaw in the system. This created a series of backups in the daily processing of accounting information and caused the need for a temporary staffperson to help "catch up" on the workload. It also appears that the accounting and visitor services departments routinely deal with "down time" due to network and computer memory problems.

Given the operation of an effective an efficient electronic data processing system is vital to the success of the Bureau's operations, we strongly recommend that a review be performed of the entire design and setup of the computer network, file servers, and backup systems. We feel that the Bureau should consider utilizing the available knowledgeable "in house" staff members for troubleshooting tasks and have an outside "expert" provide advice on the system design. By developing a strategy similar to this, the benefits of solving a number of these problems (cost, employee time and information, late billings, inaccurate reporting, etc...) may outweigh the actual costs incurred.

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International Advisors with Accounting Firm Associated, Inc.

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 condition in which the design or operation 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 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 the BUREAU in a separate letter dated May 12, 1997.

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



A Professional Accounting Corporation

May 12, 1997

**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH FLOWS

For purposes of the statement of cash flows, the BUREAU considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents. There was no cash paid for interest or income taxes for the years ended December 31, 1998 and 1999.

ACCOUNTS RECEIVABLE

An allowance for doubtful accounts has been maintained by the BUREAU. When accounts receivable are determined to be uncollectible, they are charged to this account.

INVENTORY

Inventory consisting of posters and brochures is valued at cost. Cost is determined on the first-in, first-out (FIFO) method.

EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements are stated at cost and are being depreciated or amortized using the straight-line method over estimated useful lives of three to fifteen years. Depreciation expense for 1998 and 1999 was \$235,708 and \$229,564, respectively.

DEFERRED REVENUE

Membership dues revenue is recognized as earned over the period of the membership. Advertising revenues billed in advance are deferred and recorded as income in the period in which the related services are provided.

NON-DIRECT RESPONSE ADVERTISING

The BUREAU expenses advertising costs as incurred. Advertising expenses charged to operations totaled \$181,279 for 1998 and \$87,283 for 1999.

NOTE B

COMMITMENTS AND CONTINGENCIES

The BUREAU has entered into a noncancelable 15-year operating lease for one of its offices. The terms of the lease require no payments for the first 10 years. It was the lessor's intent that these concessions be considered a contribution to the BUREAU. For financial statement purposes, the fair value of the leased space, valued at \$38,583 and \$96,686 for the years ended December 31, 1998 and 1999, respectively, has been reflected in donated facilities and other operating expenses. In December 1994, the BUREAU was required to make annual lease payments, based upon the fair rental value of the property during the third quarter of the prior year. The payments start at 20% of the fair rental value and increase 20% annually until the BUREAU pays 100% of such fair rental value. Actual payments for 1998 and 1999 amounted to \$59,661 and \$24,161, respectively.

**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE C

NEW ORLEANS TOURISM MARKETING CORPORATION FUNDING

Funds provided by the New Orleans Tourism Marketing Corporation which are designated for tourism promotion totaled \$1,118,385 and \$1,166,191 in 1996 and 1995, respectively. Unexpended funds of \$347,214 and \$515,180 are included in Designated Net Assets at December 31, 1996 and 1995, respectively. Amounts due from New Orleans Tourism Marketing Corporation totaled \$200,718 and \$218,258 at December 31, 1996 and 1995, respectively.

NOTE D

GOVERNMENT APPROPRIATIONS

The BUREAU has entered into arrangements with the State of Louisiana to promote tourism and economic development in the Greater New Orleans area in exchange for government appropriations.

Prior to 1995, the State remitted \$125,808 monthly to the BUREAU, and after the close of their fiscal year ended June 30, an excess payment of the State/Metrol tax was remitted. Because this excess amount was not determinable at the BUREAU's December 31 year end, it was not considered revenue until received. During 1995, the State changed this method of payment, and now remits monthly an amount which includes what was previously considered the "excess". This change in assistance resulted in increased revenue for 1995 of approximately \$1,125,525.

Act 18 of the 1995 Regular Legislative Session provided for an appropriation of \$4,000,000 for the State fiscal year ended June 30, 1996 to the BUREAU. Any unexpended monies from the collections of the State/Metrol tax remain in the fund and are subject to legislative appropriation for the fiscal year ended June 30, 1995. For the years ended December 31, 1996 and 1995, the BUREAU received appropriations from the State of Louisiana of \$5,199,004 and \$6,984,965, respectively.

NOTE E

BENEFIT PLANS

Effective January 1, 1993, the BUREAU adopted a Section 401(a) Profit Sharing Plan and Thrift Life Plan. The Plan covers substantially all full-time employees who are at least twenty and one-half years old and have completed one year of continuous service and have worked at least 1,800 hours. Employees may contribute up to 10% of their earnings during any year subject to the maximum level of deferral allowed by the Internal Revenue Service. The BUREAU makes matching contributions to the Plan in the amount of 50% of the elective deferral, to a maximum of 7% of the participant's compensation. Contribution expense for the years ended December 31, 1996 and 1995, was \$41,678 and \$43,078, respectively.

**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The NEW ORLEANS METROPOLITAN CONVENTION & VISITORS BUREAU, INC., (the "BUREAU") is a private, nonprofit, 501(c)(3) organization dedicated to promoting the Greater New Orleans area as a destination for trade shows, conventions, tour groups and individual travelers. The BUREAU grants credit to customers, substantially all of whom are located in Southeast Louisiana.

CHANGE IN ACCOUNTING PRINCIPLE

The BUREAU elected to adopt SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations" in 1995. In accordance with SFAS No. 124, investments in equity securities with readily determinable fair values and investments in debt securities are recorded at fair value with gains and losses included in the statement of activities. The effect of this new statement caused an increase of investment return of \$89,171 for the year ended December 31, 1995.

CONTRIBUTIONS

The BUREAU also elected to adopt SFAS No. 116, "Accounting for Contributions Received and Contributions Made" in 1985. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. This new statement had no effect on the change in net assets for 1995.

FINANCIAL STATEMENT PRESENTATION

In 1995, the BUREAU elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the BUREAU is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the BUREAU is required to present a statement of cash flows. As permitted by this new statement, the BUREAU has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1995.

INCOME TAX STATUS

The BUREAU is exempt from Federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**NEW ORLEANS METROPOLITAN
CONVENTIONS & VISITORS BUREAU, INC.
STATEMENTS OF CASH FLOWS**

	For The Year Ended	
	December 31,	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Income in Unrestricted Net Assets	\$ 2,648,598	\$ 2,252,086
Adjustments to Reconcile to Increase in Unrestricted Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	225,708	226,384
Gain on Disposal of Equipment	(3,828)	(5,789)
Realized Gain on Sales of Investment Securities	(1,832)	(294,467)
Unrealized Gain on Investment Securities	(989,373)	-
(Increase) in Accounts Receivable	(394,285)	(1,815,864)
Decrease (Increase) in Inventory	22,609	(156,318)
(Decrease) Decrease in Prepaid Expenses	181,834	42,523
(Decrease) in Accounts Payable	(1,388,521)	(458,784)
Increase (Decrease) in Deferred Revenue	24,334	(125,283)
Increase in Other Accrued Liabilities	144,215	79,882
Net Cash Provided by Operating Activities	785,118	2,999,210
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investment Securities	375,743	6,333,204
Purchases of Investment Securities	(9,874,287)	(6,838,777)
Proceeds from Disposal of Equipment	4,860	18,963
Purchases of Equipment and Leasehold Improvements	(278,815)	(382,577)
Net Cash (Used in) Provided by Investing Activities	(8,772,499)	288,813
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,987,381)	3,198,023
CASH AND CASH EQUIVALENTS - Beginning of Year	11,850,827	8,637,321
CASH AND CASH EQUIVALENTS - End of Year	\$ 3,863,446	\$ 11,835,344

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

**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE F

DONATED SERVICES (UNAUDITED)

The BUREAU has received a significant amount of non-professional donated services from various businesses in and around Greater New Orleans. These services were used in programs designed to promote the local tourism market. Management estimates that approximately \$1,258,036 and \$178,253 of donated services were received in 1996 and 1995, respectively. However, these services do not meet all of the applicable requirements of SFAS No. 116, therefore, no amounts have been reflected in the financial statements for these donated services.

NOTE G

FEDERAL AWARD

During the year ended December 31, 1993, the BUREAU was awarded a Federal grant of \$308,000 for the project "Disaster Relief Tourism Promotion for New Orleans, LA", expiring September 30, 1994. In 1994, the grant award amount was increased to \$458,000 and the grant period was extended to December 31, 1995. For the year ended December 31, 1995, \$183,619 of the grant was funded. There were no federal grant funds received during 1996.

NOTE H

LEASES

The BUREAU leases office space under an operating lease expiring in November, 1998.

Minimum future rental payments are as follows:

1997	\$ 115,178
1998	139,136
1999	____148,020
	<u>\$ 402,347</u>

The BUREAU leases additional office space on a month to month basis.

Rent expense amounted to \$288,198 and \$218,493 for the years ended December 31, 1996 and 1995, respectively.

NOTE I

OFF-BALANCE SHEET RISK

At December 31, 1996, the BUREAU maintained balances in financial institutions in excess of the federally insured limit. Additionally, the BUREAU had investment securities and money market accounts with an investment brokerage firm. These amounts are not federally insured.

**NEW ORLEANS METROPOLITAN
CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE J

RELATED PARTY TRANSACTIONS

During 1995, the BUREAU purchased printing services totaling \$838,966 from a company owned by an officer and director of the BUREAU. There were no related party transactions during 1996.

NOTE K

CONTRIBUTION COMMITMENT

Contribution commitment relates to a pledge made by the BUREAU to a national tourism foundation. The contribution is reported in other accrued liabilities at December 31, 1996 at its present value using a discount rate of 8%. The contribution will be made over the next three years as follows:

		\$	
1997			4,286
1998			3,969
1999		_____	3,813
			\$ 11,068

NOTE L

INVESTMENTS

Securities are stated at fair market value. The average cost method is used to determine the basis of securities sold to compute gains or losses.

	December 31, 1996		Increase of Market Over Cost
	Cost	Market	
Corporate Stock	\$ 4,388,338	\$ 4,796,842	\$ 408,504
Corporate Bonds	1,761,155	1,791,758	30,603
U.S. Government Securities	2,680,898	2,859,152	178,254
Total	\$ 8,830,391	\$ 9,447,752	\$ 617,361

There were no investment securities held by the BUREAU at December 31, 1995. Investment returns for the years ended December 31, 1995 and 1996 was as follows:

	1996	1995
Interest and Dividends	\$ 363,999	\$ 396,042
Unrealized Gain on Investments	589,131	-
Realized Gain on Sale of Investments	1,032	294,867
	\$ 954,162	\$ 690,909



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

Board of Directors
New Orleans Metropolitan
Convention & Visitors Bureau, Inc.

We have audited the financial statements of **NEW ORLEANS METROPOLITAN CONVENTION & VISITORS BUREAU, INC.**, (the "BUREAU") (A Nonprofit Organization) as of and for the year ended December 31, 1998, and have issued our report thereon dated May 17, 1999.

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.

The management of the BUREAU 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. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the BUREAU for the year ended December 31, 1998, 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 placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

A Professional Accounting Corporation

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
New Orleans Metropolitan
Convention & Visitors Bureau, Inc.

We have audited the financial statements of NEW ORLEANS METROPOLITAN CONVENTION & VISITORS BUREAU, INC., (the "BUREAU") (a Nonprofit Organization) as of and for the year ended December 31, 1990, and have issued our report thereon dated May 12, 1991.

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 financial statements are free of material misstatement.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Anthony J. Boudreau, CPA
A Professional Accounting Corporation

May 12, 1991

A Professional Accounting Corporation

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