

**NEW ORLEANS TOURISM MARKETING CORPORATION**

(A Special Revenue Fund of the city of New Orleans)

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - Summary of Significant Accounting Policies, Continued:**

- One (1) member appointed from a list of two (2) nominees submitted by the Greater New Orleans Black Tourism Network, Inc.;
- One (1) member appointed from a list of two (2) nominees submitted by the Preservation Resource Center;
- One (1) member appointed from a list of two (2) nominees submitted by the New Orleans East Economic Development Foundation; and
- One (1) member appointed from a list of two (2) nominees submitted by the New Orleans Chapter of the Louisiana Restaurant Association.

NOTMC commenced operation on May 1, 1991.

The accounting and reporting policies of the New Orleans Tourism Marketing Corporation conform to generally accepted accounting principles as applicable to governmental bodies. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 28:317 and to the guidance set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of the significant accounting policies used by NOTMC:

**A) Financial Reporting Entity**

This report includes the general fund and account groups that are controlled by NOTMC. Control by the NOTMC is determined on the basis of budget adoption and general oversight responsibility.

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
(A Special Revenue Fund of the City of New Orleans)  
**NOTE TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Summary of Significant Accounting Policies, Continued:**

**B) Fund Accounting**

The accounts of **NOTMTC** are organized on the basis of the general fund and account groups, each of which is considered a separate accounting entity. The operation of the general fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. 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 funds are grouped, in the financial statements in this report, as follows:

**Governmental Fund Type - General Fund**

This is the fund through which most governmental functions typically are financed. The general fund is the general operating fund of **NOTMTC**. It is used to account for all financial resources except those required to be accounted for in another fund.

**General Fixed Assets Account Group**

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

**General Long-term Debt Account Group**

This is not a fund but rather an account group that is used to account for the outstanding balances of compensated absences and other long-term liabilities.

**C) Basis of Accounting**

All governmental fund type activity is accounted for using the modified accrual basis of accounting.

# NEW ORLEANS TOURISM MARKETING CORPORATION

(A Special Revenue Fund of the City of New Orleans)

## NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

### NOTE 1 - Summary of Significant Accounting Policies, Continued:

Under this method, revenues are recognized when they become measurable and available. Hotel tax collections are considered "measurable" when in the hands of the collecting agency and are recognized as revenue at that time. Anticipated collection fees related to such tax collections are recorded as reductions of revenue when they are measurable.

Expenditures are recognized and accrued for in the accounting period in which the liability is incurred, if measurable, except expenditures for other long-term obligations which are recognized when paid.

#### D) Budgetary Data

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

1. NOTMC is required to prepare an annual budget and submit it to the Board of Directors.
2. upon review and completion of all action necessary to finalize the budget, it is then adopted by the Board of Directors prior to the commencement of the fiscal year to which the budget applies.
3. Budgetary amendments involving the transfer of funds from one program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Directors.
4. All budgetary appropriations lapse at the end of the fiscal year.
5. The budget for the general fund expenditures is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Directors.

**NEW ORLEANS TOURISM MARKETING CORPORATION**

(A Special Revenue Fund of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 3 - Summary of Significant Accounting Policies, continued:****E) Cash**

Cash includes amounts in demand deposits and interest-bearing time deposits. Under state law, NTOMC 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.

**F) compensated Absences**

NTOMC's liability for accumulated unpaid vacation of \$2,507 has been recorded in the general long-term debt account group.

**G) Total Column on the Combined Balance Sheet**

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. The 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. Interfund eliminations have not been made in the aggregation of this data.

**H) Income Taxes**

NTOMC is exempt from taxation under Section 527 of the Internal Revenue Code.

**NOTE 3 - Cash:**

NTOMC had cash totaling \$463,396 (book balances) at December 31, 1998, as follows:

Demand deposits	\$ 81,200
Time deposits	412,196
Total	\$493,396

# NEW ORLEANS TOURISM MARKETING CORPORATION

(A Special Revenue Fund of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

## NOTE 2 - Cash, Continued:

These 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, 1986, NOTMC has \$328,448 in deposits (collected bank balances). These deposits are secured from risk by \$188,000 of federal deposit insurance and \$1,143,815 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 19:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by NOTMC that the fiscal agent has failed to pay deposited funds upon demand.

## NOTE 3 - Funding of the New Orleans Tourism Marketing Corporation:

The funding of the NOTMC consists of the following:

- A) Base Funding - Pursuant to New Orleans City Council Ordinance No. 34128, Base Funding for the NOTMC shall be the amount of funds to be received from the City of New Orleans and/or other public or nonprofit entities, and/or private contributions.

**NEW ORLEANS TOURISM MARKETING CORPORATION**

(A Special Revenue Fund of the City of New Orleans)  
 NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 4 - Accounts Receivable:**

Hotel Occupancy Tax/Privilege Taxes Receivable

Hotel Occupancy Taxes Receivable represent the amount of taxes collected by Hotel operators during the month November 1996 and paid to the City of New Orleans in December 1996 of \$488,378. This amount was subsequently paid to the NOTMHC during 1997.

**NOTE 5 - Contributed Assets:**

During the year ended December 31, 1996, NOTMHC received donated assets with a fair market value of \$7,000. These items have been recorded in the General Fixed Asset Account Group.

**NOTE 6 - Transactions with Outside Organizations:**

Provision of Funding

The NOTMHC, under the provisions of its Tourism Promotion Program for 1996, provided funding to the following organizations:

o New Orleans Metropolitan Convention and Visitors Bureau	\$1,423,750
o The Greater New Orleans Black Tourism Network	____341,238
	<b>\$1,765,000</b>

**NOTE 7 - Changes in General Fixed Assets:**

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

Description	January 1, 1996	Additions	December 31, 1996
Furniture and equipment	\$68,691	\$____-0-	\$68,691

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
(A Special Revenue Fund of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS

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**NOTE 1 - Summary of Significant Accounting Policies:**

Organization and Operations

The New Orleans Tourism Marketing Corporation (NOTMC) was organized January 1, 1994. The objectives and purposes of NOTMC are as follows:

- o To continuously stimulate the hospitality and tourism industry of the City of New Orleans through regional, national and international advertising and marketing of the City of New Orleans as a tourist and convention site and a vacation destination;
- o To stimulate economic development in the City of New Orleans through the marketing and solicitation of conventions and trade shows throughout the United States and the World; and
- o To advance, promote and maintain tourism and trade in the City of New Orleans through marketing activities directed at the discretionary tourist or traveler through advertising, direct mailing, or other means.

NOTMC is a special revenue fund of the City of New Orleans. The financial statements of NOTMC are not intended to and do not present either the financial position, or results of operations of the City of New Orleans.

NOTMC is administered by a Board of Directors consisting of fifteen (15) members appointed as follows:

- o One (1) member appointed by the Mayor of the City of New Orleans;
- o Three (3) members appointed by the City Council from its members;
- o Three (3) members appointed from a list of six (6) nominees submitted by the New Orleans Metropolitan Convention and Visitors Bureau;
- o Four (4) members appointed from a list of eight (8) nominees submitted by the Greater New Orleans Hotel/Motel Association;

# NEW ORLEANS TOURISM MARKETING CORPORATION

(a Special Revenue Fund of the City of New Orleans)  
 COMBINED BALANCE SHEET—ALL FUND TYPES AND ACCOUNT GROUPS  
 NOVEMBER 31, 2008

	General Fund	General Fixed Assets	General Long-Term Debt	Total Encumbrance Only
<b>ASSETS</b>				
Cash (NOTE 1)	\$ 483,546	\$ -	\$ -	\$ 483,546
Rebates/Refund Taxes receivable (NOTE 4)	444,118	-	-	444,118
State funding receivable	180,000	-	-	180,000
Prepaid expenses	14,144	-	-	14,144
Other assets	204	-	-	204
Furniture, fixtures and equipment (NOTE 1)	-	68,484	-	68,484
Amount to be provided from general government revenues	-	-	2,500	2,500
<b>Total assets</b>	<b>\$1,099,994</b>	<b>\$68,484</b>	<b>\$2,500</b>	<b>\$1,111,718</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable and account expenses	\$ 311,736	\$ -	\$ -	\$ 311,736
Expensive/advance (NOTE 3 and 4)	-	-	2,500	2,500
<b>Total liabilities</b>	<b>311,736</b>	<b>-</b>	<b>2,500</b>	<b>314,236</b>
<b>Fund Equity:</b>				
Capitalized assets (NOTE 5)	-	7,000	-	7,000
Investment (in general) fixed assets	-	41,484	-	41,484
<b>Fund balance—assigned:</b>				
Designated for payment of current obligations	75,878	-	-	75,878
Undesignated	632,828	-	-	632,828
<b>Total fund equity</b>	<b>708,706</b>	<b>48,484</b>	<b>-</b>	<b>757,190</b>
<b>Total liabilities and fund equity</b>	<b>\$1,099,994</b>	<b>\$68,484</b>	<b>\$2,500</b>	<b>\$1,111,718</b>

The accompanying notes are an integral part of this statement.



**NEW ORLEANS TOURISM MARKETING CORPORATION**

(A Special Revenue Fund of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 3 - Funding of the New Orleans Tourism  
Marketing Corporation, continued:**

For the year ended December 31, 1996, the NOTMC received \$1,000,000 in Mass Funding.

- b) Hotel Occupancy Privilege Tax - The Hotel Occupancy Privilege Tax (effective November 1, 1990) is levied upon persons for the privilege of occupying hotel rooms within Orleans Parish in the amount of fifty cents (\$.50) per occupied hotel room per night for hotels containing from three (3) to two hundred ninety-nine (299) rooms and one dollar (\$1.00) per occupied hotel room per night for hotels containing three hundred (300) or more rooms.

Every hotel operator subject to this tax shall make reports on the previous month's business on or before the twentieth day of the following month to the City of New Orleans.

The imposition and collection of the Hotel Occupancy Privilege Tax shall be repealed and discontinued upon the occurrence of any of the followings:

- o The disposition or liquidation of the NOTMC; or
- o The specific decertification of the NOTMC as a nonprofit economic development corporation by the New Orleans City Council.

For the year ended December 31, 1996, the NOTMC received \$3,886,665 (net of collection fees of \$76,134) from the Hotel Occupancy Privilege Tax.

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
 (A Special Revenue Fund of the City of New Orleans)  
 NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 8 - Changes in General Long-Term Debt:**

A summary of the changes in long-term debt is as follows:

Description	January 1, 1998	Additions	Retirements	December 31, 1998
Compensated absences	\$2,842	\$ 462	\$ 0-	\$3,302

**NOTE 9 - Operating Leases:**

NOTMC has operating leases for office space and office equipment. For these leases, NOTMC has, as of December 31, 1998, contractual agreements requiring the following rental payments:

Fiscal Year Ending December 31,	Facility and Equipment
1997	\$18,773
1998	5,838

Lease expense for the current year amounted to \$18,773.

**NOTE 10 - Risk Management:**

NOTMC is exposed to various risks of loss related to theft, theft of; damage to and destruction of assets for which NOTMC carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**NOTE 11 - Fair Value of Financial Instruments:**

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

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

This report is intended solely for the use of management, the City of New Orleans and the State of Louisiana, 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 the SCMPC, the City of New Orleans and the State of Louisiana, Legislative Auditor is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 1987

# NEW ORLEANS TOURISM MARKETING CORPORATION

(A Special Revenue Fund of the City of New Orleans)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—BUDGET  
 (BUDGET BASIS) AND ACTUAL—GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1996

	Budget	Actual	Variance Favorable (Disadvantage)
<b>REVENUES</b>			
Base funding - City of New Orleans	\$1,000,000	\$1,000,000	\$ -
Hotel/Motel taxes (net of collection fees)	1,700,000	1,730,500	30,500
Interest income	-	10,500	10,500
Other	-	2,500	2,500
<b>Total revenues</b>	<b>2,700,000</b>	<b>2,743,500</b>	<b>43,500</b>
<b>EXPENDITURES</b>			
Reversion of funding to outside agencies	1,365,000	1,365,000	-
Special events	267,000	308,500	41,500
Christmas seals	100,000	100,000	-
Christmas production	15,000	17,000	(2,000)
National seals	290,170	290,237	67
National production	44,450	48,100	(3,650)
Summer seals	500,000	509,000	9,000
Summer production	70,000	70,000	-
Public relations	70,000	140,000	(70,000)
Research	290,000	180,000	110,000
Fulfillment	-	14,770	(14,770)
Telemarketing	170,000	207,000	(37,000)
Marketing agency fees	50,000	88,000	(38,000)
Interactive marketing	120,000	214,700	(94,700)
Special summer convention	120,000	120,000	-
General and administrative	104,000	200,000	(96,000)
Good Time Guide	200,000	200,000	-
Other marketing expenses	(171,000)	(30,000)	141,000
<b>Total expenditures</b>	<b>4,101,000</b>	<b>4,302,000</b>	<b>(201,000)</b>
Excess (shortage) of revenues over expenditures	(141,000)	44,500	185,500
Fund balance, beginning of year	902,000	902,000	-
Fund balance, end of year	<b>\$ 761,000</b>	<b>\$ 946,500</b>	<b>\$ 185,500</b>

The accompanying notes are an integral part of this statement.

**& Tervalon**

MEMPHIS BRUNO, P.C.A.  
ALBANY, TENNESSEE, U.S.A. 37101  
NASHVILLE, TENNESSEE, U.S.A.

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

To the Board of Directors  
New Orleans Tourism Marketing Corporation  
New Orleans, Louisiana

We have audited the general purpose financial statements of the New Orleans Tourism Marketing Corporation (NOTMC) as of December 31, 1994 and for the year then ended, and have issued our report thereon dated February 27, 1995.

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 misstatements.

The management of the NOTMC 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 the assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed 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.

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

To the Board of Directors  
New Orleans Tourism Marketing Corporation  
New Orleans, Louisiana

We have audited the general purpose financial statements of the New Orleans Tourism Marketing Corporation (NOTMC) as of December 31, 1998 and for the year then ended, and have issued our report thereon dated February 27, 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. Those standards required 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 agreements applicable to the New Orleans Tourism Marketing Corporation is the responsibility of NOTMC's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the NOTMC's compliance with certain provisions of laws, regulations, contracts and agreements. 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.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we did note an immaterial instance of noncompliance which is described in the accompanying schedule of finding and recommendation.

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

This report is intended solely for the use of management, the City of New Orleans and the State of Louisiana, 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 WOTAC and the State of Louisiana, Legislative Auditor is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 1997

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**SCHEDULE OF FINDING AND RECOMMENDATION**

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**CONDITION**

We noted during our 1994 audit that **NOTMC** did not maintain a separate bank checking account for Economic Development Trust Fund (EDF) grant funds received during the 1994 fiscal year.

**CRITERIA**

The EDF grant agreement between **NOTMC** and the City of New Orleans requires EDF grant funds to be maintained in a separate bank checking account.

**EFFECT**

**NOTMC** is in non-compliance with fiscal requirements relating to maintaining a separate bank account for EDF grant funds.

**CAUSE**

unknown

**RECOMMENDATION**

We recommend that **NOTMC** maintain a separate bank checking account for EDF grant funds received in order to be in compliance with the fiscal grant agreement requirement.



**NEW ORLEANS TOURISM MARKETING CORPORATION**  
 (A Special Revenue Fund of the City of New Orleans)  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE—GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

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**REVENUES**

Base funding - City of New Orleans (NOTE 3)	\$1,000,000
Hotel/Motel taxes (net of collection fees) (NOTE 3)	3,796,531
Interest income	18,928
Other	2,145
<b>Total revenues</b>	<b>4,751,605</b>

**EXPENDITURES**

Provision of funding to outside agencies (NOTE 8)	1,363,000
Special events	238,868
Christmas media	163,309
Christmas production	17,079
National media	286,257
National production	46,888
Summer media	529,838
Summer production	70,005
Public relations	140,055
Research	582,860
Fulfillment	14,777
Telemarketing	237,203
Marketing agency fees	488,488
Interactive marketing	344,742
Special summer convention	329,000
General and administrative	306,819
Good Time Guide	393,671
Other marketing expenses	59,651
<b>Total expenditures</b>	<b>3,709,386</b>
Excess of revenues over expenditures	40,419
Fund balance, beginning of year	562,320
<b>Fund balance, end of year</b>	<b>\$602,740</b>

The accompanying notes are an integral part of this statement.

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**NEW ORLEANS TOURISM MARKETING CORPORATION**  
(A Special Revenue Fund of the City of New Orleans)

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

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

Under provisions of state law, this report is a public document. A copy of this report is being delivered to the web site of the City and is available to the public and all other interested parties. The report is available for public inspection at the Public Review of the Office of the Auditor and, where appropriate, at the office of the public clerk of court.

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

Release Date July 14, 1997

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
New Orleans Tourism Marketing Corporation  
(A Special Revenue Fund of the City of New Orleans)  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the New Orleans Tourism Marketing Corporation (NOTMC) (A Special Revenue Fund of the City of New Orleans) as of December 31, 1998 and for the year then ended as listed in the Table of Contents. These general purpose financial statements are the responsibility of NOTMC'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. These standards require that we plan and perform the audit to obtain reasonable assurance about material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in NOTE 1, the financial statements present only the activities of the New Orleans Tourism Marketing Corporation and are not intended to present fairly the financial position, and the results of operations of the City of New Orleans in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 27, 1999 on our consideration of NOTMC's internal control structure and a report dated February 27, 1999 on its compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Board of Directors  
New Orleans Tourism Marketing Corporation  
(A Special Revenue Fund of the City of New Orleans)  
New Orleans, Louisiana  
Page 2

In our opinion, the accompanying general purpose financial statements referred to previously present fairly, in all material respects, the financial position of the New Orleans Tourism Marketing Corporation (A Special Revenue Fund of the City of New Orleans) as of December 31, 1996, and the results of operations, arising from the City's appropriations, for the year ended December 31, 1996, in conformity with generally accepted accounting principles.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 1997

**Bruno**  
**& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**STATUS OF PRIOR YEAR REPORTABLE CONDITIONS**

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**BANK RECONCILIATIONS**

We noted during our 1998 audit that bank reconciliations were not timely performed.

In order to ensure that cash balances are correctly recorded in the general ledger, we recommend that bank reconciliations be performed on a monthly basis. As such, internal controls over cash are strengthened.

**CURRENT STATUS**

We noted during the 1998 audit that bank reconciliations were timely performed.

**JOURNAL ENTRIES**

We noted during our 1998 audit that journal entries posted to the financial records were not routinely supported with documentation.

We recommend that NOTMC immediately implement procedures to ensure that all journal entries are properly supported with documentation.

**CURRENT STATUS**

We noted during the 1998 audit that journal entries were appropriately supported with documentation.

**VOID CHECKS**

We noted during our 1998 cash testwork that several void checks were not properly mutilated.

We recommend that void checks be appropriately mutilated to prevent use of such checks.

**CURRENT STATUS**

We noted during the 1998 audit that void checks were properly mutilated to prevent reuse.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN ASSET OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

In planning and performing our audit of the general purpose financial statements of WORMC for the year ended December 31, 1986, 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 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 a material weakness as defined above.

In connection with our audit, we reviewed the Prior Year's Reportable Conditions on the Internal Control structure, including applicable internal administrative controls to determine whether management had implemented appropriate corrective action to correct the conditions giving rise to those findings. The results of our review with respect to the Prior-Year Reportable Conditions are described in the accompanying Status of Prior Year Reportable Conditions.