

**NEW ORLEANS MULTICULTURAL
TOURISM NETWORK, INC.**

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

FOR THE YEAR ENDED DECEMBER 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 13 2014

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American Institute of
Certified Public Accountants
Society of Louisiana
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
**New Orleans Multicultural
Tourism Network, Inc.**

Report on the Financial Statement

We have audited the accompanying financial statements of the **New Orleans Multicultural Tourism Network, Inc. (NOMTN)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
**New Orleans Multicultural
Tourism Network, Inc.**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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, we 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NOMTN as of December 31, 2013, 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
New Orleans Multicultural
Tourism Network, Inc.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. 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 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 our 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*, we have also issued our report dated June 30, 2014, on our consideration of NOMTN's internal control over financial reporting and on our 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 our 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 NOMTN's internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2014

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

Cash and cash equivalents	\$33,439
Due from New Orleans Tourism Marketing Corporation (NOTMC)	55,540
Office furniture and equipment, net of accumulated depreciation of \$36,465 (NOTE 4)	153
Other receivable	5,000
Other assets	<u>575</u>
 Total assets	 <u>\$94,707</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ <u>5,326</u>
 Total liabilities	 <u>5,326</u>
 Unrestricted net assets	 <u>89,381</u>
 Total liabilities and net assets	 <u>\$94,707</u>

The accompanying notes are an integral part of this statement.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Support and Revenue:	
NOTMC funding (NOTE 5)	\$351,108
Special events	29,045
Other	<u>8,095</u>
Total support and revenue	<u>388,248</u>
Expenses:	
Administrative	126,132
Convention sales and marketing expenses	<u>293,174</u>
Total expenses	<u>419,306</u>
Changes in net assets	(31,058)
Net assets, beginning of year	<u>120,439</u>
Net assets, end of year	<u>\$ 89,381</u>

The accompanying notes are an integral part of this statement.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Cash flows from operating activities:	
Changes in net assets	\$ (31,058)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	824
Decrease in accounts payable and accrued expenses	(6,277)
Increase in other receivable	(5,000)
Decrease in due from New Orleans Tourism Marketing Corporation	<u>27,025</u>
Net cash used in operating activities	<u>(14,486)</u>
Net decrease in cash and cash equivalents	(14,486)
Cash and cash equivalents - beginning of year	<u>47,925</u>
Cash and cash equivalents - end of year	<u>\$ 33,439</u>

The accompanying notes are an integral part of this statement.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

(A) Organization

New Orleans Multicultural Tourism Network, Inc. (NOMTN) is a Louisiana not-for-profit corporation chartered on March 5, 1990. Its purpose is to attract tourist and convention business from domestic and foreign markets, inclusive of developing minority markets, affected by the tourist industry, to the greater New Orleans metropolitan area.

NOMTN is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

NOMTN files as a tax-exempt organization. Should that status be challenged in the future, NOMTN's 2010, 2011 and 2012 tax years are open for examination by the IRS.

(B) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of NOMTN and changes therein are classified as unrestricted net assets that are not subject to donor-imposed stipulations.

(C) Financial Statement Presentation

For the year ended December 31, 2013, NOMTN followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*, in the presentation of its financial statements. Under FASB ASC Section 958-205, NOMTN is required to report, as applicable, information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. In addition, NOMTN is required to present a statement of cash flows.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

(C) Financial Statement Presentation, Continued

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of NOMTN.

Temporarily Restricted Net Assets - Contributions specifically authorized by the donors to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by NOMTN. Generally, the donors of these assets permit NOMTN to use all or part of the income derived from the investment of these contributions.

At December 31, 2013, NOMTN has no temporarily or permanently restricted net assets.

Contributions

NOMTN accounts for contributions in accordance with FASB ASC Section 958-605, *Not-for-Profit Entities, Revenue Recognition* accounting for contributions received and contributions made. In accordance with FASB ASC Section 958-605, contributions are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are re-classified to unrestricted net assets.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Summary of Significant Accounting Policies, Continued;

(D) Office Furniture and Equipment

Office furniture and equipment are stated at cost. Additions, renewals, and betterments that add materially to productive capacity or extend the life of an asset are capitalized. Expenditures for maintenance and repairs which do not extend the life of the applicable assets are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the statement of activities.

Depreciation of the office furniture and equipment is provided over the estimated useful lives of the assets (three to five years) on a straight-line basis.

(E) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, NOMTN considers all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

(F) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(G) Advertising

NOMTN uses advertising to promote its mission to attract tourism and convention business to the greater New Orleans area. The costs of advertising are expensed as incurred. For the year ended December 31, 2013, advertising expense was \$30,824.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Functional Allocation of Expenses:

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - Donated Services:

The value of donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a number of volunteers have donated significant amounts of their time in activities and events sponsored by NOMTN.

NOTE 4 - Office Furniture and Equipment:

Office furniture and equipment, at cost, and accumulated depreciation as of December 31, 2013 are summarized as follows:

Office furniture and equipment	\$ 36,618
Less: accumulated depreciation	<u>(36,465)</u>
	<u>\$ 153</u>

Depreciation expense for the year ended December 31, 2013 was \$824.

NOTE 5 - Economic Dependency:

Under present funding arrangements with New Orleans Tourism Marketing Corporation (NOTMC), a significant part of NOMTN's support is currently derived from that one contributor. By ordinance, NOTMC is required to fund NOMTN annually.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Fair Values of Financial Instruments:

The estimated fair value of financial instruments have been determined by utilizing available market information and appropriate valuation methodologies. NOMTN considers the carrying amounts of cash and cash equivalents to approximate fair value.

NOTE 7 - Operating Lease:

NOMTN conducts its operations from a facility that is leased under a seven-year noncancelable operating lease expiring in April 2018.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2013:

<u>Fiscal Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2014	\$14,606
2015	14,825
2016	15,047
2017	15,273
2018	<u>4,474</u>
Total	<u>\$64,225</u>

Lease expense for the 2013 fiscal year amounted to \$17,949.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Subsequent Events:

NOMTN is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition or disclosure in the financial statements. NOMTN performed such an evaluation through June 30, 2014, the date which the financial statements were available to be issued.

NOTE 9 - CONCENTRATION OF CREDIT RISK:

NOMTN maintains noninterest bearing accounts at local banks. The Federal Deposit Insurance Corporation (FDIC) provides deposit insurance coverage up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. At December 31, 2013, NOMTN's deposits were fully insured.

SUPPLEMENTARY INFORMATION

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Convention Sales And Marketing</u>	<u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 69,432	\$ 69,431	\$138,863
Payroll taxes	5,797	5,797	11,594
Fringe benefits	<u>1,948</u>	<u>1,947</u>	<u>3,895</u>
Total salaries and related expenses	<u>77,177</u>	<u>77,175</u>	<u>154,352</u>
Advertising	30,824	-0-	30,824
Professional fees	-0-	18,801	18,801
Miscellaneous	-0-	3,419	3,419
Collateral materials	1,367	-0-	1,367
Convention support	1,141	-0-	1,141
Postage and courier	-0-	682	682
Equipment expense	-0-	260	260
Insurance	1,445	712	2,157
Meeting expense	1,659	3,745	5,404
Office supplies	5,990	2,951	8,941
Rent	12,026	5,923	17,949
Special events	61,574	-0-	61,574
Travel	9,732	8,174	17,906
Telephone	3,471	1,709	5,180
Website/equipment maintenance	-0-	1,757	1,757
Promotions	<u>86,768</u>	<u>-0-</u>	<u>86,768</u>
Total expenses before depreciation	293,174	125,308	418,482
Depreciation	<u>-0-</u>	<u>824</u>	<u>824</u>
Total expenses	<u>\$293,174</u>	<u>\$126,132</u>	<u>\$419,306</u>

See Accompanying Independent Auditors' Report.



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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

To the Board of Directors of
New Orleans Multicultural Tourism Network, Inc.
New Orleans, Louisiana

We 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 the **New Orleans Multicultural Tourism Network, Inc. (NOMTN)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **NOMTN's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **NOMTN's** internal control. Accordingly, we do not express an opinion on the effectiveness of **NOMTN's** internal control.

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
(CONTINUED)

Internal Control over Financial Reporting, Continued

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2013-01 and 2013-02 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NOMTN's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
(CONTINUED)

Management's Response to Findings

NOMTN's response to the findings identified in our audit is described in the accompanying schedule of findings. NOMTN's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NOMTN's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NOMTN's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the use of the Board of Directors, its management, grantor agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 30, 2014

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

We have audited the financial statements of **New Orleans Multicultural Tourism Network, Inc.** as of and for the year ended December 31, 2013, and have issued our report thereon dated June 30, 2014. 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. Our audit of the financial statements as of December 31, 2013, resulted in an unmodified opinion.

SECTION I - Summary of Auditors' Results

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported**: material weaknesses: **Yes**.
- B. Noncompliance which is material to the financial statements: **No**.
- C. Significant deficiencies in internal control over major programs: **N/A** Material weaknesses: **N/A**.
- D. The type of report issued on compliance for major programs: **N/A**.
- E. Any audit findings which are required to be reported under section 510 (a) of OMB Circular A-133: **N/A**.
- F. Major programs: **N/A**.
- G. Dollar threshold used to distinguish between Type A and Type B programs: **N/A**.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **N/A**.
- I. A management letter was issued: **No**.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

**SECTION II - Findings Related to the Financial Statements Required
In Accordance with Government Auditing Standards**

2013-01 - Segregation of Duties

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

As in the prior year, accounting duties are being handled by one (1) individual with the exception of compiling the financial statements and reconciling bank accounts, which are being performed by an external accountant.

Effect

Internal controls are weakened by the lack of segregation of duties, thus, the risk of fraudulent activities are increased.

Cause

NOMTN lacks personnel to adequately segregate accounting duties.

Recommendation

We continue to recommend that the Board of Directors review NOMTN's current assigned accounting duties and implement control procedures to ensure that accounting duties are adequately segregated with available accounting personnel. For activities that are incompatible, additional procedures should be established for the Board of Directors to timely and comprehensively review and oversee such activities for the purpose of compensating for the lack of adequate segregation of duties.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

**SECTION II - Findings Related to the Financial Statements Required
In Accordance with Government Auditing Standards
Continued**

2013-01 - Segregation of Duties, Continued

Management's Response

NOMTN has been cited in this area for lack of segregation of duties. We have cited the small staff and lack of funding as the main factor. In 2014, NOMTN has begun receiving an additional assessment through the hotel tax. We plan to hire a part time Treasurer of the board providing final approval of all checks, financial transactions, etc. We are confident that the segregation of duties will not be a factor in the 2014 audit.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

**SECTION II - Findings Related to the Financial Statements Required
In Accordance with Government Auditing Standards
Continued**

2013-02 - Board of Directors

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We noted during our audit that NOMTN's board of directors only met once during the 2013 fiscal year to conduct official business.

Effect

Increased monitoring by the board of directors, which is essential due to the lack of adequate segregation of duties, of the financial activities of NOMTN was not performed.

Cause

The 2013 board of directors have not made the necessary commitment to be actively involved in overseeing the operations of NOMTN for the 2013 fiscal year.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

**SECTION II - Findings Related to the Financial Statements Required
In Accordance with Government Auditing Standards
Continued**

2013-02 - Board of Directors, Continued

Recommendation

As reported in finding 2013-01, NOMTN lacks adequate segregation at duties. As such, the board of directors should be actively engaged and involved with the operations of NOMTN to mitigate the weaker internal controls. Since only one (1) board meeting occurred during the 2013 fiscal year, we recommend that board meetings be scheduled, at a minimum, quarterly with the board providing oversight of financial matters to include but not limited to the review of the budget, bank reconciliations, and financial statements.

Management's Response

Per NOMTN bylaws, the 2013 board was removed due to a lack of participation. NOMTN has seated a new board in 2014. We have begun to have bi-monthly board meetings, finance committee meeting as marketing committee meetings. We are certain that this finding will not be an issue in 2014

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION III - Federal Award Findings and Questioned Cost

Not applicable.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section I - Internal Control and Compliance Material to the Financial Statements

2012-01 - Segregation of Duties

We recommended that the Board of Directors review NOMTN's current assigned accounting duties and implement control procedures to ensure that accounting duties are adequately segregated with available accounting personnel. For activities that are incompatible, additional procedures should be established for the Board of Directors to review and oversee such activities for the purpose of compensating for the lack of adequate segregation of duties.

Current Status

Unresolved. See current year finding 2013-01.

2012-02 - Credit Card Purchases for Gasoline

We recommended that NOMTN stop the practice of permitting an employee to charge local gasoline purchases to NOMTN's credit card. Further, we recommended that NOMTN implement an employee reimbursement policy that requires an employee to submit an employee reimbursement report so that the employee can be reimbursed for business mileage accumulated on the employee's personal vehicle.

Current Status

Resolved.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

***Section I - Internal Control and Compliance Material to the Financial Statements,
Continued***

2012-03 - Board of Directors Board of Directors

As reported in finding 2012-01, NOMTN lacks adequate segregation at duties, which would require the board of directors, as those charged with governance, to be actively engaged and involved with the operations of NOMTN. Because no official business occurred during the 2012 fiscal year, with the current board of directors, we recommended that new board members be seated for those members, who did not actively participate in the board of directors' official duties.

Current Status

Partially resolved. See current year finding 2013-02.

Section II - Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

No matters were reported.