

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING
AND ECONOMIC DEVELOPMENT FOUNDATION, INC.**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT ACCOUNTANTS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2012

(UNAUDITED COMPILATION)

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| INDEPENDENT ACCOUNTANTS' REPORT | 1 |
| STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2012 | 2 |
| STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012 | 3 |
| STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2012 | 4 |
| STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012 | 5 |
| NOTES TO THE FINANCIAL STATEMENTS | 6 |
| SCHEDULE OF FINDINGS AND RESPONSES..... | 12 |
| SCHEDULE OF PRIOR YEAR FINDINGS | 13 |



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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
**New Orleans Urban Tourism Hospitality Training
and Economic Development Foundation, Inc.**
New Orleans, Louisiana

We have compiled the accompanying statement of financial position of the **New Orleans Urban Tourism Hospitality Training and Economic Development Foundation, Inc.(the Foundation)** as of June 30, 2012 and the related statements of activities, functional expenses and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The Schedule of Findings and Responses on page 12 and Schedule of Prior Year Findings on page 13 are required by Section 325.05 of the *Louisiana Audit Guide*, which in accordance with this section such information is to be included in the compilation report that is submitted to the Legislative Auditor's Office.

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

January 9, 2013

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.**
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

| | |
|----------------------|---------------|
| Current assets: | |
| Cash | \$ <u>140</u> |
| Total current assets | <u>140</u> |
| Total assets | \$ <u>140</u> |

LIABILITIES AND NET ASSETS (DEFICITS)

| | |
|---|---------------|
| Current liabilities: | |
| Advance - State of Louisiana | \$ 119 |
| Accounts payable | <u>36</u> |
| Total current liabilities | <u>155</u> |
| Total liabilities | <u>155</u> |
| Net assets (deficits): | |
| Unrestricted net assets (deficits) | <u>(15)</u> |
| Total liabilities and net assets (deficits) | \$ <u>140</u> |

See Independent Accountants' Compilation Report.

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.**
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

| | <u>Unrestricted</u> |
|---|---------------------|
| Revenue and support: | |
| Grant - State of Louisiana | \$ <u>97,363</u> |
| Total revenue and support | <u>97,363</u> |
| Expenses: | |
| Program services: | |
| Tourism and hospitality market development | 93,676 |
| Supporting services: | |
| Management and general | <u>3,702</u> |
| Total expenses | <u>97,378</u> |
| Change in net assets | (15) |
| Unrestricted net assets, July 1, 2011 | <u>-0-</u> |
| Unrestricted net assets (deficits), June 30, 2012 | \$ <u>(15)</u> |

See Independent Accountants' Compilation Report.

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

| | <u>Program Expenses</u> | <u>Management and General</u> | <u>Total Expenses</u> |
|--------------------|-----------------------------|-----------------------------------|---------------------------|
| Contract labor | \$82,700 | \$ -0- | \$82,700 |
| Operating services | 10,288 | 102 | 10,390 |
| Supplies | 688 | -0- | 688 |
| Professional fees | <u>-0-</u> | <u>3,600</u> | <u>3,600</u> |
| Total expenses | <u>\$93,676</u> | <u>\$ 3,702</u> | <u>\$97,378</u> |

See Independent Accountants' Compilation Report.

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

| | |
|--|---------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ (15) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Increase in accounts payable | 36 |
| Increase in advance - State of Louisiana | <u>119</u> |
| Net cash provided by operating activities | <u>155</u> |
| Net increase in cash | 140 |
| Cash at beginning of year | <u>-0-</u> |
| Cash at end of year | \$ <u>140</u> |

See Independent Accountants' Compilation Report.

NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization and Purpose:

Background

The New Orleans Urban Tourism Hospitality Training and Economic Development Foundation, Inc. (the "Foundation") is a not-for-profit corporation organized on July 25, 2005 under the laws of the State of Louisiana. The June 30, 2012 fiscal year is the Foundation's first year of operations. The purpose for which the Foundation is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

General

As of June 30, 2012, the Foundation administered the following program:

Tourism and Hospitality Market Development:

The program introduces inner city individuals to opportunities that are available in the tourism and hospitality market, provides training to those individuals, and assists small business owners in developing successful marketing tools to promote their businesses in this industry.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits, certificates of deposit and other financial instruments purchased with a maturity of three months or less.

NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

The Organization files as a tax-exempt organization. Should that status be challenged in the future, **the Organization's** 2011 tax year is open for examination by the IRS.

Contributions

Contributions are recognized when the donor makes a promise to give to **the Foundation** that is, in substance, unconditional. 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 net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine the uncollectibility of unconditional promises receivable. The allowance is based on prior year's experience and management's analysis of specific promises made.

NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

Accordingly, program and support service expenses are specifically identified with or allocated to **the Foundation's** various functions. Expenses requiring allocation include services provided by **the Foundation's** management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Financial Statement Presentation

For the year ended June 30, 2012, **the Foundation** 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, **the Foundation** 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, **the Foundation** is required to present a statement of cash flows.

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

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

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

NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Financial Statement Presentation, Continued

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

At June 30, 2012, **the Foundation** has no temporarily restricted, or permanently restricted net assets.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Revenues and Support Recognition

Revenues received under government grant programs are recognized when earned. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 3 - Commitments:

The Foundation has entered into contractual arrangements with certain individuals to provide operational assistance, tutorial, self-development, and recreational assistance. Such contracts are generally for six (6) to twelve (12) month periods.

NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Operating Lease:

The Foundation conducts its operations from a facility that is leased under a one (1) year noncancellable operating lease expiring in June 30, 2013. The lease includes the use of telephone, copy equipment and other fixtures.

For fiscal year 2012, lease expense amounted to \$8,000.

NOTE 5 - Contingencies:

The Foundation is a recipient of a grant from the State of Louisiana. This grant is governed by applicable State guidelines, regulations, and contractual agreements. The administration of the program and activities funded by this grant are under the control of **the Foundation** and are subject to audit and/or review by the funding source. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

At June 30, 2012, one hundred percent (100%) of **the Foundation's** operating support is derived from a single grant.

NOTE 6 - Risk Management:

The Foundation is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets for which **the Foundation** does not carry commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated.

NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Concentration of Credit Risk:

The Foundation maintains a noninterest bearing account at a financial institution. This account is fully insured by the Federal Deposit Insurance Corporation at June 30, 2012.

NOTE 8 - Directors' Compensation:

During the year 2012, none of the directors was compensated for services as a member of **the Foundation's** board of directors.

NOTE 9 - Subsequent Events:

The Foundation 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. **The Foundation** performed such an evaluation through January 9, 2013, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012**

No matters reported.

**NEW ORLEANS URBAN TOURISM HOSPITALITY TRAINING AND
ECONOMIC DEVELOPMENT FOUNDATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

No matters reported.