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**NEW ORLEANS TOURISM  
 MARKETING CORPORATION**  
 (A Component Unit of the City of New Orleans)  
**FINANCIAL AND COMPLIANCE AUDIT  
 TOGETHER WITH  
 INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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 State House of Representatives, Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 02/13/09 / CE

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
**New Orleans Tourism Marketing Corporation**  
(A Component Unit 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 Component Unit of the City of New Orleans)** as of December 31, 2000 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 and the standards applicable to financial audits contained in **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. 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 audit provides a reasonable basis for our opinion.

As discussed in **NOTE 1**, the general purpose 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.

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the  
New Orleans Tourism Marketing Corporation  
(A Component Unit of the City of New Orleans)  
New Orleans, Louisiana  
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In our opinion, the general purpose financial statements referred to previously present fairly, in all material respects, the financial position of the **New Orleans Tourism Marketing Corporation (A Component Unit of the City of New Orleans)** as of December 31, 2000, and the results of its operations for the year ended December 31, 2000, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2001 on our consideration of NOTMBC's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.



**BRUNO & TERVALON, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2001

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
(A Component Unit of the City of New Orleans)  
**COMBINED BALANCE SHEET—ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2000**

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUPS		Total (Miscellaneous Only)
	General Fund	General Fixed Assets	General Long-Term Debt	
<b>ASSETS AND OTHER DEBITS</b>				
Cash (NOTE 2)	\$2,495,726	\$ -	\$ -	\$2,495,726
Grant/Other taxes receivable	354,345	-	-	354,345
ETA fund taxes receivable	1,132,329	-	-	1,132,329
Accounts receivable - other	25,876	-	-	25,876
Other assets	203	-	-	203
Furniture, fixtures and equipment (NOTE 4)	-	88,419	-	88,419
Amounts to be provided from general government revenues	-	-	6,620	6,620
Total assets and other debits	<u>\$3,951,675</u>	<u>\$88,419</u>	<u>\$6,620</u>	<u>\$4,046,714</u>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$1,132,386	\$ -	\$ -	\$1,132,386
Deferred revenues	1,800,000	-	-	1,800,000
Compensated absences (NOTES 1 and 3)	-	-	6,620	6,620
Total liabilities	<u>2,932,386</u>	<u>-</u>	<u>6,620</u>	<u>2,939,006</u>
<b>Fund Equity and Other Credits:</b>				
Contributed assets (NOTE 4)	-	7,608	-	7,608
Investment in general fixed assets	-	81,411	-	81,411
Fund balances—unreserved:				
Designated for subsequent year's expenditures	708,078	-	-	708,078
Un-designated	1,071,281	-	-	1,071,281
Total fund equity	<u>1,779,459</u>	<u>88,419</u>	<u>-</u>	<u>1,867,878</u>
Total liabilities, fund equity and other credits	<u>\$3,951,675</u>	<u>\$88,419</u>	<u>\$6,620</u>	<u>\$4,046,714</u>

The accompanying notes are an integral part of this statement.

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**(A Component Unit of the City of New Orleans)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE-GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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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)	4,500,971
RTA hotel taxes (NOTE 3)	1,132,525
Casino funding (NOTE 3)	1,000,000
Other revenue (NOTE 3)	372,149
Interest income	<u>74,280</u>
<b>Total revenues</b>	<b><u>7,881,925</u></b>

**EXPENDITURES**

Provision of funding to outside agencies (NOTE 3)	2,213,670
Special events	360,047
Christmas media and promotion	551,804
National media	174,814
Summer media	358,878
Production	275,631
Public relations	302,615
Research	337,554
Telemarketing	204,304
Marketing agency fees	568,452
Interactive marketing	344,459
Special summer convention	105,000
General and administrative	511,790
Good Times Guide	225,415
Other marketing expenses	144,963
Casino marketing expenses	<u>924,681</u>
<b>Total expenditures</b>	<b><u>7,394,040</u></b>
Excess of revenues over expenditures	487,885
Fund balance, beginning of year	<u>3,291,363</u>
<b>Fund balance, end of year</b>	<b><u>\$3,779,248</u></b>

The accompanying notes are an integral part of this statement.

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
 (A Component Unit of the City of New Orleans)  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE-BUDGET**  
**(GAAP BASIS) AND ACTUAL—GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Base funding - City of New Orleans	\$1,808,000	\$1,608,000	\$ -0-
Hotel/Motel taxes (net of collection fees)	3,808,000	4,302,971	494,971
KTA local taxes	-0-	1,132,325	1,132,325
Casino funding	1,808,000	1,608,000	-0-
Other revenues	-0-	372,169	372,169
Interest income	-0-	74,288	74,288
<b>Total revenues</b>	<b>3,808,000</b>	<b>2,881,815</b>	<b>1,981,815</b>
<b>EXPENDITURES</b>			
Provision of funding to outside agencies	1,608,336	2,213,678	(605,341)
Special events	248,026	360,847	\$112,821
Christmas media and promotion	391,808	571,864	(180,056)
National media	150,000	134,814	(15,186)
Summer media	250,000	398,878	(148,878)
Production	150,000	275,631	(125,631)
Public relations	250,000	323,613	(73,613)
Research	375,000	337,354	37,646
Telemarketing	225,000	284,384	59,384
Marketing agency fees	834,000	568,452	(265,548)
Interactive marketing	175,000	344,459	(169,459)
Special summer convention	125,000	125,000	-0-
General and administrative	268,026	311,799	(43,773)
Good Times Guide	225,000	223,413	1,587
Other marketing expenses	356,671	149,963	206,708
Casino marketing	1,080,000	995,681	84,319
<b>Total expenditures</b>	<b>8,281,115</b>	<b>1,851,089</b>	<b>6,430,026</b>
Excess of revenues over expenditures	(443,115)	1,030,726	\$487,611
Fund balance, beginning of year	1,291,563	1,291,563	-0-
<b>Fund balance, end of year</b>	<b>\$ 848,448</b>	<b>\$1,178,889</b>	<b>\$ 330,441</b>

The accompanying notes are an integral part of this statement.

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**(A Component Unit 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, 1990. The objectives and purposes of NOTMC are as follows:

- a. 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;
- a. 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
- a. 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 component unit of the City of New Orleans. The general purpose 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:

- a. One (1) member appointed by the Mayor of the City of New Orleans;
- a. Three (3) members appointed by the City Council from its members;

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

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

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

**NOTMTC** commenced operation on May 1, 1991.

The accounting and reporting policies of **NOTMTC** 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 24:517 and to the guidance set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Standards of State and Local Governmental Units*.

NEW ORLEANS TOURISM MARKETING CORPORATION  
(A Component Unit of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - *Summary of Significant Accounting Policies, Continued:*

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

A) Financial Reporting Entity:

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

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.

NEW ORLEANS TOURISM MARKETING CORPORATION  
(A Component Unit of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued

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.

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 accounted 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

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

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

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

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.
6. The budget of the City of New Orleans' appropriations must be approved by the City of New Orleans.

**Cash**

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

NEW ORLEANS TOURISM MARKETING CORPORATION  
(A Component Unit of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

F) Compensated Absences

NOTMTC's liability for accumulated unpaid vacation of \$6,650 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

NOTMTC is exempt from taxation under Section 507 of the Internal Revenue Code.

I) Deferred Revenues

NOTMTC reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by NOTMTC before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when NOTMTC has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

NEW ORLEANS TOURISM MARKETING CORPORATION  
(A Component Unit of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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

J) *List 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 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 these estimates.

NOTE 2 - *Cash:*

NOTMC had cash totaling \$3,419,726 (book balances) at December 31, 2008, as follows:

Demand deposits	\$ 56,800
Time deposits	2,362,926
Total	<u>\$3,419,726</u>

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.

NEW ORLEANS TOURISM MARKETING CORPORATION  
(A Component Unit of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - Cash, Continued:

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, 2000, NOTMTC has \$2,971,104 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance. The remaining balance of \$2,771,104 is not secured by the pledge of security and is a credit risk.

NOTE 3 - Sources of Revenue of New Orleans Tourism Marketing Corporation:

The major sources of revenue are base funding, hotel occupancy privilege tax, RTA hotel tax, casino funding and other revenue as discussed below:

- A) Base Funding - Pursuant to New Orleans City Council Ordinance No. 11258, Base Funding for NOTMTC 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.

For the year ended December 31, 2000, NOTMTC received \$1,000,000 in Base 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 (\$0.50) 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.

NEW ORLEANS TOURISM MARKETING CORPORATION  
(A Component Unit of the City of New Orleans)  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - Funding of New Orleans Tourism Marketing Corporation, Continued:

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

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

For the year-ended December 31, 2000, NOTMC earned \$4,303,971 (net of collection fees of \$83,814) from the Hotel Occupancy Privilege Tax.

- C) RTA Hotel Tax - As provided by the agreement for services and cooperative economic endeavor by and between the Regional Transit Authority (RTA) and NOTMC, NOTMC shall receive a sum of 40% of the first \$7,200,000 of the RTA's 1% general sales and use taxes, applied to hotels in Orleans Parish, actually received by the RTA each calendar year net to exceed \$2,850,000.

In consideration of the payments to be made by the RTA to NOTMC, NOTMC shall perform the following marketing services:

- Promote the use of the RTA's transit services to tourist or business travelers;
- Consult with the RTA regarding information or promotion of the RTA's transportation services available to tourist or business travelers;

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

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**NOTE 3 - Funding of New Orleans Tourism Marketing Corporation, Continued**

- Assist the RTA and other agencies to secure funding for existing and proposed streetcar and light rail projects; and
- Provide funding, not to exceed 3.45% of the RTA hotel tax received from the RTA, to the Mayor's Office of Tourism and Arts who shall make all reasonable efforts to use such funds to feature or enhance tourism, public transportation and other goals and objectives of the agreement.

Additional, **NOTMC** shall allocate and dedicate 50% of the RTA hotel tax received from RTA to the **Meriel Convention Center Expansion Transit Fund** (the Transit Fund). The funds paid to the Transit Fund and related earnings must be used for the benefit of the Phase IV Convention Center expansion project administered by the Ernest N. Meriel New Orleans Exhibition Hall Authority.

- D) Casino Funding** - According to the lease agreement among the City of New Orleans (the City) and the Rivergate Development Corporation and the Jazz Casino Company (the Casino), the Casino is required to make an annual contribution of \$1,000,000 to the destination marketing program of the City for the joint benefit of the City and the Casino in order to promote the City and the Casino as destinations. The City has utilized **NOTMC** to conduct the destination marketing program on behalf of the City.
- E) Other Revenue** - Other revenue includes sales of advertising and discount coupons placed in tourism guides produced by **NOTMC**, sales of co-sponsored and shared advertising placed by **NOTMC** in national print media and sales of advertising and linking services on **NOTMC**'s Internet web site.

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

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**NOTE 4 - Contributed Assets:**

During the year ended December 31, 1991, NOTMC received donated assets with a fair market value of \$7,000. These items have been recorded in the General Fixed Asset Account Group.

**NOTE 5 - Transactions with Outside Organizations:**

**Provision of Funding:**

According to the Council of the City of New Orleans' Ordinance (Council Ordinance) to adopt NOTMC's Tourism Promotion Program for 2000 and as provided by the RTA Hotel Tax Agreement, NOTMC's provided funding to the following organizations:

	RTA Hotel Tax Agreement	Council Ordinance	Total
New Orleans Metropolitan Convention and Visitors Bureau	\$ -0-	\$1,206,253	\$1,206,253
New Orleans Multicultural Tourism Network, Inc.	-0-	402,084	402,084
Ernest N. Morial New Orleans Exhibition Hall Authority	566,262	-0-	566,262
Mayor's Office of Tourism and Arts	39,072	-0-	39,072
	<u>\$605,334</u>	<u>\$1,608,336</u>	<u>\$2,213,670</u>

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

**NOTE 6 - Changes in General Fixed Assets:**

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

Description	January 1, 2000	Additions	Deletions	December 31, 2000
Furniture and equipment	\$81,941	\$2,478	\$-0-	\$84,419

**NOTE 7 - Changes in General Long-Term Debt:**

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

Description	January 1, 2000	Deletions	December 31, 2000
Compensated absences	\$1,500	\$(2,000)	\$6,000

**NOTE 8 - Operating Leases:**

NOTMTC has an operating lease for office space. For this lease, NOTMTC has, as of December 31, 2000, a contractual agreement requiring the following rental payments:

Fiscal Year Ending December 31,	Facility
2001	18,308
2002	18,308
2003	9,654

Lease expense for the current year amounted to \$19,308.

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

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**NOTE 9 - Risk Management:**

NOTMC is exposed to various risks of loss related to theft, fire 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 10 - 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 receivables to be fair value.

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

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

We have audited the general purpose financial statements of **New Orleans Tourism Marketing Corporation (NOTMC)** (a Component Unit of the City of New Orleans) as of and for the year ended December 31, 2000, and have issued our report thereon dated March 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether NOTMC's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING (BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered NOTMC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements to 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting that we have reported to management of NOTMC in a separate letter dated March 30, 2011.

This report is intended solely for the use of management, the City of New Orleans and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.



BRUNO & TERVALON, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2011

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**(A Component Unit of the City of New Orleans)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

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We have audited the general purpose financial statements of New Orleans Tourism Marketing Corporation (a component unit of the City of New Orleans) as of and for the year ended December 31, 2000, and have issued our report thereon dated March 23, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements as of December 31, 2000 resulted in an unqualified opinion.

**1. Summary of Auditors' Results**

- A. Reportable conditions in internal control were disclosed by the audit of the financial statements: None Reported. Material weaknesses: Nil.
- B. Noncompliance which is material to the general purpose financial statements: Nil.
- C. Reportable conditions 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 501(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. Auditor qualified as a low-risk auditor under section 530 of OMB Circular A-133: N/A.

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**(A Component Unit of the City of New Orleans)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

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**1. Summary of Auditors' Results, CONTINUED**

1. A management letter was issued: Yes

**2. Financial Statement Findings**

No matters were reported.

**3. Federal Award Findings and Questioned Costs**

*Not applicable.*

**NEW ORLEANS TOURISM MARKETING CORPORATION**  
**(A Component Unit of the City of New Orleans)**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

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

No findings were reported.

**Section II - Internal Control and Compliance Material to Federal Awards**

Not applicable.

**Section III - Management Letter**

See status of prior year management letter comment reported to management in a separate letter dated March 30, 2001.



Member  
American Institute of  
Certified Public Accountants  
Faculty of Accountants  
Certified Public Accountants

NEW ORLEANS, LOUISIANA

Michael B. Fleenor, CPA  
Arnold J. Tervalon, Jr., CPA  
William J. Mead, Jr., CPA

## **INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**

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

We have audited the financial statements of **New Orleans Tourism Marketing Corporation (NOTMC)** for the year ended December 31, 2000 and have issued our report thereon dated March 30, 2001.

In planning and performing our audit of the financial statements of NOTMC for the year ended December 31, 2000, we consider NOTMC's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal controls or result in other operating efficiencies and are listed in Appendix A to this report.

Additionally, the status of the comment from our prior year letter to you dated February 28, 2000 is included in Appendix B. While we recognize that a number of our observations and comments, both from the current year and our prior year's letter, require additional financial resources which may not be currently available, we believe that they still warrant continued consideration by management.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
(CONTINUED)**

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

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This report is solely for the use of management, the City of New Orleans and the State of Louisiana, Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.



**BRUNO & TERVALON, LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

March 30, 2009

**NEW ORLEANS TOURISM MARKETING CORPORATION  
CURRENT YEAR MANAGEMENT LETTER COMMENTS**

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**00-1 Security for Deposits**

**Condition**

As in the prior year, we noted that the cash (bank balance) in deposit accounts of a bank at December 31, 2000 exceeded the amount secured by federal deposit insurance by \$2,771,194. The uninsured amount was not secured by the bank by the pledge of securities.

**Cause**

The management of NOTMC did not require the bank to provide pledge securities for deposits in excess of federal deposit insurance coverage.

**Criteria**

NOTMC's cash management policy provides that bank deposits must be 100% secured with federal deposit insurance plus the pledge of securities, if necessary.

**Effect**

Unsecured bank deposits are a credit risk and are subject to loss.

NEW ORLEANS TOURISM MARKETING CORPORATION  
CURRENT YEAR MANAGEMENT LETTER COMMENTS, CONTINUED

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00-1 Security for Deposits, Continued

Recommendation

We recommend that NOTMC adhere to its policy for securing bank deposits to ensure that deposits are at all times 100% secured with federal deposit insurance and the pledge of securities.

Management's Response

The management of NOTMC has met with a representative of the fiscal agent bank and the bank has agreed to, at all times, fully secure NOTMC's deposits with federal deposit insurance and the pledge of securities. Immediately, NOTMC will reconfirm bank deposits, on a monthly basis, to ensure that deposits are 100% secured.

NEW ORLEANS TOURISM MARKETING CORPORATION  
CURRENT YEAR MANAGEMENT LETTER COMMENTS, CONTINUED

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09-2 Outstanding Checks

Condition

In our testwork of cash, we noted on the December 2009 outstanding check listing that nine (9) checks totaling \$43,256 were outstanding over ninety (90) days.

Cause

Outstanding check listings were not provided to the management of NDOTMC by its outside fee accountant.

Criteria

An entity should establish and maintain internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and the reliability of financial reporting.

Effect

Internal controls over cash are weakened.

NEW ORLEANS TOURISM MARKETING CORPORATION  
CURRENT YEAR MANAGEMENT LETTER COMMENTS, CONTINUED

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10-2 Outstanding Checks, Continued

Recommendation

We recommend that NOTMC establish and implement procedures to provide that checks outstanding over 90 days be timely investigated for their non-presentation.

Management's Response

NOTMC is currently receiving outstanding check listings from its outside fee accountant. NOTMC's management has implemented procedures to timely investigate checks outstanding over 90 days.

**NEW ORLEANS TOURISM MARKETING CORPORATION  
CURRENT YEAR MANAGEMENT LETTER COMMENTS, CONTINUED**

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**99-3 Sales Orders and Invoices**

Condition

We noted during our audit that agencies who were contracted to sell co-sponsored/shared advertising, and sell advertising and coupons in NOTMTC's tourism guides did not provide NOTMTC with copies of sales orders and invoices for internal control purposes.

Cause

NOTMTC did not require the agencies to provide them with such documents. NOTMTC did not have in place sales and accounts receivable control procedures.

Critical

An entity should establish and maintain internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and the reliability of financial reporting.

Effect

Recorded revenue may be incorrect and unsupported.

NEW ORLEANS TOURISM MARKETING CORPORATION  
CURRENT YEAR MANAGEMENT LETTER COMMENTS, CONTINUED

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60-3 **Sales Orders and Invoices, Continued**

Recommendation

We recommend that NOTMC establish and implement complete sales and accounts receivable procedures. NOTMC should require that outside sales agencies provide them with copies of pre-numbered sales orders and invoices to determine whether any documents are missing prior to recording sales revenue and accounts receivable to the books and records of NOTMC. The sales invoice is the source document to be used to record sales.

Management's Response

Currently, outside sales agencies are providing NOTMC with copies of sales orders. NOTMC then prepares customer sales invoices and retains copies of original invoices for financial reporting purposes.

**NEW ORLEANS TOURISM MARKETING CORPORATION  
PRIOR YEAR MANAGEMENT LETTER COMMENT**

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**99-1 Security for Deposits**

We recommended that NDTMC review its monitoring procedures to ensure that bank deposits in excess of Federal deposit insurance limits are always secured with pledged securities in NDTMC's name.

Current Status

Unresolved. See current year comment #00-1.