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GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.

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Release Date 88. 3. 1. 1990

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 1986**

**Bruno
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

BRUNO & TERVALON, L.P.C.
ALICE J. TERVALON, JR., CPA
ONE BOLL MOUNTAIN BLVD.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

In planning and performing our audit of the financial statements of Greater New Orleans Black Tourism Network, Inc. (GNBTN) for the year ended December 31, 1997, we considered GNBTN's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several 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 the internal control structure or result in other operating efficiencies and are included in the accompanying schedule of current year comments. This letter does not affect our report dated June 18, 1997, on the financial statements of GNBTN.

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor of the state of Louisiana and others within the Corporation.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 18, 1997

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
SCHEDULE OF CURRENT YEAR COMMENTS

I. OUTSTANDING CHECKS

We noted during our 1998 testwork of cash that several checks were outstanding over three (3) months.

We recommend that GNBNTN implement procedures that would require GNBNTN to investigate checks remaining outstanding over three(3) months to improve internal controls over cash disbursements.

II. SUPPORTING DOCUMENTATION

We noted during our 1998 cash disbursement test that the supporting documentation of three (3) cash disbursements could not be located.

We recommend that GNBNTN review its procedures over cash disbursements and record retention and take immediate steps to ensure that cash disbursements are properly supported by documentation.

III. INVOICE APPROVAL

We noted during our 1998 audit that several cash disbursements were made with out evidence of invoice approval.

We recommend that GNBNTN review its current procedures relating to cash disbursements to ensure that all cash disbursements are documented with invoice approval.

VI. CREDIT CARD CHARGES

We noted during our 1998 audit that in four (4) instances GNBNTN did not support credit card expenses with invoices.

We recommend that GNBNTN review its current procedures with aim of ensuring that all credit card charges are supported by original source documentation.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements listed in the Table of Contents of Greater New Orleans Black Tourism Network, Inc. (GNBTNI) as of December 31, 1996, and for the year then ended. These financial statements are the responsibility of the GNBTNI's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the terms of our engagement, we have not applied auditing procedures necessary to satisfy ourselves about the classifications and amounts comprising the statement of financial position at December 31, 1996. The amounts and classifications of the statement of position at December 31, 1995 substantially affect the determination of the results of operations and cash flows for the year ended December 31, 1996. Accordingly, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accompanying statements of activities and cash flows for the year ended December 31, 1996, or on the consistency of application of accounting principles with the preceding year.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

To the Board of Directors of
Greater New Orleans Black
Tourism Network, Inc.
Page 2

In our opinion, the accompanying statement of financial position referred to in the first paragraph presents fairly, in all material respects, the financial position of the Greater New Orleans Black Tourism Network, Inc. as of December 31, 1992, in accordance with generally accepted accounting principles.

As discussed in NOTE 1(B) to the financial statements, in 1990 GROTON changed its method of accounting for contributions and its method of financial reporting and financial statements presentation.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Expenses on page 11 and 12 is presented for purposes of additional analysis and is not a required part of the financial statements of Greater New Orleans Black Tourism Network, Inc. For reasons previously stated, we do not express an opinion on the results of operations and cash flows for the year ended December 31, 1992. Similarly, we do not express an opinion on the Schedule of Expenses.

In accordance with Government Auditing Standards we have also issued a report dated June 18, 1993 on our consideration of GROTON's internal control structure and a report dated June 18, 1993 on its compliance with laws, regulations, contracts and grants.


BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 18, 1993

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1994

ASSETS

Cash and cash equivalents	\$43,863
Certificate of deposit	18,742
Short-term unconditional promise to give	2,293
Office furniture and equipment, net of accumulated depreciation of \$45,378 (NOTE 4)	13,328
Total assets	\$78,326

LIABILITIES AND NET ASSETS

Accounts payable	\$17,469
Accrued expenses	3,592
Total liabilities	21,061
Invested net assets	57,265
Total liabilities and net assets	\$78,326

The accompanying notes are an integral part of this statement.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1988

	Unrestricted	Temporarily Restricted	Total
Support, Revenue and Reclassifications:			
Grants	\$ -0-	\$ 341,350	\$341,350
Membership dues	16,515	-0-	16,515
Sponsorships	13,124	-0-	13,124
Special events	43,300	-0-	43,300
Interest income	2,325	-0-	2,325
Miscellaneous	10,078	-0-	10,078
Net assets released from restrictions: satisfaction of program restrictions	341,250	(341,250)	-0-
Total support and revenue	426,352	-0-	426,352
Expenses:			
Administrative:			
Personnel	98,106	-0-	98,106
Operating	89,525	-0-	89,525
Membership services	1,728	-0-	1,728
Total administrative expenses	189,359	-0-	189,359
Convention sales and marketing expenses	107,438	-0-	107,438
Public relations and special events expenses	45,356	-0-	45,356
Tourism summit	22,736	-0-	22,736
Total expenses	312,889	-0-	312,889
Changes in net assets	8,464	-0-	8,464
Net assets, beginning of year	40,888	-0-	40,888
Net assets, end of year	\$ 49,352	\$ -0-	\$ 49,352

The accompanying notes are an integral part of this statement.

GRANDIER NEW ORLEANS BLACK TOURISM NETWORK, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1986

Cash flows from operating activities:	
Changes in net assets	\$ 0,484
Adjustments to reconcile	
changes in net assets to net	
cash provided by operating	
activities:	
Depreciation	\$ 1,979
Increase in unconditional	
promises to give	(2,283)
Increase in accounts payable	
and accrued expenses	18,581
Total adjustments to	
net income	18,267
Net cash provided by operating activities	18,751
Cash flows from investing activities:	
Purchase of equipment	(342)
Purchase of certificate of deposit	(1,633)
Net cash used in investing activities	(1,975)
Net increase in cash and cash	
equivalents	16,776
Cash and cash equivalents -	
beginning of year	18,225
Cash and cash equivalents - end	
of year	\$ 34,991
Interest paid in cash	\$ 1,000

The accompanying notes are an integral part of this statement.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

(A) Organization

Greater New Orleans Black Tourism Network, Inc. (GNOBTN) is a Louisiana nonprofit corporation chartered on March 5, 1998. 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.

GNOBTN is exempt from Federal income tax as an organization described in Section 501(c)(13) of the Internal Revenue Code.

(B) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of GNOBTN and changes therein are classified as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of GNOBTN and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.

NOTES TO THE FINANCIAL STATEMENTS, Continued

NOTE 1 - Summary of Significant Accounting Policies
(continued):

(C) Support and Reserve

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Grants are recorded on the basis of performance under the grant contract.

Unconditional promises to give due in the next year are recorded at their net realizable value.

(D) Office Furniture and Equipment

Office furniture and equipment is recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful life of five (5) years.

(E) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, GNBOTW 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 generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported assets and disclosures. Accordingly, actual results could differ from these estimates.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, Continued

NOTE 2 - Summary of Significant Accounting Policies
(Continued):

(C) Changes in Accounting Principles

During the 1996 fiscal year, GNBNTM adopted the accounting policies contained in Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made (FASB 116), and SFAS No. 117, Financial Statements of Not-for-Profit Organizations (FASB 117). Statement No. 116 requires GNBNTM to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values.

Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. The adoptions of FASB 116 and 117 had no cumulative effect on net assets at the date of the adoptions and for the year ended December 31, 1996.

NOTE 3 - Functional Allocation of Expenses:

The costs 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 benefited.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, Continued

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 GNBTON.

NOTE 4 - Office Furniture and Equipment:

office furniture and equipment, at cost, and accumulated depreciation at December 31, 1984 are summarized as follows:

Office equipment and furniture	\$ 20,790
Less accumulated depreciation	(15,328)
	\$ 5,462

Depreciation charged to expense was \$1,979.

NOTE 5 - Temporarily Restricted Net Assets:

For the year ended December 31, 1984, net assets were released from the New Orleans Tourism Marketing Corporation (NOTMC) grant restrictions by incurring expenses satisfying the purpose.

NOTE 6 - Related Party Transactions:

During the 1984 fiscal year, GNBTON received goods and services from board members in the amount of \$10,331. The types of such transactions included the costs of travel and convention sales and marketing merchandise.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS, continued

NOTE 7 - Economic Dependency:

Under present funding arrangements with ROTHC, a significant part of the organization's support is currently derived from that one contributor. Sudden loss of that contributor could have a possible adverse effect on the organization, since ROTHC accounted for approximately 80% of the total support and revenue for the year ended December 31, 1998. ROTHC currently has a verbal commitment through 1999 with the organization to continue such support. ROTHC has not notified GNBOTW of any change in plans to continue their support.

NOTE 8 - Fair Values of Financial Instruments:

The estimated fair value of financial instruments have been determined by utilizing available market information and appropriate valuation methodologies. GNBOTW considers the carrying amounts of cash, certificate of deposit, and short-term unconditional promise to give to approximate fair value.

SUPPLEMENTARY INFORMATION

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1990

ADMINISTRATIVE

Personnel:	
Salaries	\$76,217
Payroll taxes	8,848
Fringe benefits	11,028
Total personnel	96,128

Operating expenses:

Accounting services	3,873
Rent	3,137
Consultants	8,500
Equipment	4,465
Travel	436
Depreciation	1,979
Gas and subscription	2,127
Miscellaneous	4,633
Office supplies	19,589
Maintenance	225
Postage	11,468
Printing	11,848
Telephone	7,449
Bank fees	1,363
Meetings	14,813
Delivery	6,820
Total operating expenses	103,325

See Accompanying Independent Auditors' Report.

GREATER NEW ORLEANS BLACK TOURISM NETWORK, INC.
SCHEDULE OF EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1994

ADMINISTRATIVE, CONTINUED:

Membership Services:	
Member services	\$ 1,823
Patron development	<u>205</u>
Total membership services	1,728
Total administrative expenses	<u>188,259</u>
Convention sales & Marketing Expenses:	
Meal at New Orleans	24,810
Advertising	20,976
Dues & subscriptions	2,304
Salaries	22,473
Fringe benefit plan	307
Travel	15,618
Promotions	1,143
Payroll taxes	1,100
Collaterals	5,566
Miscellaneous	<u>2,850</u>
Total convention sales & marketing expenses	107,437
Public Relations & Special Events Expenses:	
Promotions	6,881
Special events	14,866
Newsletter	2,258
Salaries	10,423
Consultant	147
Payroll taxes	<u>1,832</u>
Total public relations & special events expenses	36,387
Tourism summit	<u>25,758</u>
Total expenses	<u>\$417,908</u>

See Accompanying Independent Auditors' Report.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

to the Board of Directors
Greater New Orleans Black Tourism Network, Inc.

We have audited the financial statements of Greater New Orleans Black Tourism Network, Inc. (GNOBTN) as of and for the year ended December 31, 1994, and have issued our report thereon dated June 18, 1995. In our independent auditors' report on the financial statements we disclaimed an opinion because, in accordance with the terms of our engagement, we have not applied auditing procedures necessary to satisfy ourselves about the classification and amounts comprising the statement of financial position at December 31, 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 financial statements are free of material misstatement.

The management of GNOBTN is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are 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 INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
CONTINUED

In planning and performing our audit of the financial statements of **GNOWEN** for the year ended December 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 reportable 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 accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of **GNOWEN** in a separate letter dated June 18, 1997.

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 18, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS, REGULATIONS, CONTRACTS AND GRANTS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Greater New Orleans Black Tourism Network, Inc. (GNOBNTN) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 18, 1997. In our independent auditors' report on the financial statements we disclaimed an opinion because, in accordance with the terms of our engagement, we have not applied auditing procedures necessary to satisfy ourselves about the classification and amounts comprising the statement of financial position at December 31, 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 financial statements are free of material misstatement.

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAW, REGULATIONS AND GRANTS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

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

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 18, 1997