

**NEW ORLEANS CONVENTION &
VISITORS BUREAU**

Audits of Consolidated Financial Statements

December 31, 2017 and 2016



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Independent Auditor's Report

To the Board of Directors
New Orleans Convention & Visitors Bureau

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the New Orleans Convention & Visitors Bureau and its subsidiary (the Bureau) which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements, (collectively, financial statements).

Management's Responsibility for the Consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the Bureau, as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of support initiatives and schedule of compensation, benefits, and other payments to agency head 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 4, 2018 on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the Bureau's 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 the Bureau's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Metairie, LA
June 4, 2018

NEW ORLEANS CONVENTION & VISITORS BUREAU
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 18,634,248	\$ 18,602,273
Accounts Receivable	2,500,899	1,518,060
Other Receivable, State of Louisiana	1,897,195	1,591,906
Other Receivable, Tourism Support Assessment	1,610,162	1,260,320
Due from Investment Fund	20,225	-
Inventory	24,867	34,304
Prepaid Expenses	541,121	617,787
Total Current Assets	25,228,717	23,624,650
Investments		
Marketable Securities at Fair Value	16,889,325	15,234,350
Property, Equipment, and Leasehold Improvements		
Land	3,373,130	3,373,130
Building and Improvements	10,221,396	9,646,855
Furniture and Fixtures	761,412	759,932
Equipment	834,928	808,249
Leasehold Improvements	459,042	459,042
Software	179,480	179,480
Total Property, Equipment, and Leasehold Improvements	15,829,388	15,226,688
Less: Accumulated Depreciation	(5,830,573)	(5,201,572)
Property, Equipment, and Leasehold Improvements, Net	9,998,815	10,025,116
Other Assets		
Intangible Asset - Internet Domain	1,200,000	1,200,000
Total Assets	\$ 53,316,857	\$ 50,084,116

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS CONVENTION & VISITORS BUREAU
Consolidated Statements of Financial Position (Continued)
December 31, 2017 and 2016

	2017	2016
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,550,706	\$ 2,002,435
Deferred Revenue	51,811	48,935
Promise to Give	312,000	304,000
Other Accrued Liabilities	3,470,139	1,611,788
Total Current Liabilities	5,384,656	3,967,158
Long-Term Liabilities		
Promise to Give	315,000	627,000
Long-Term Debt, Net of Debt Issuance Cost of \$22,190	2,606	-
Total Long-Term Liabilities	317,606	627,000
Net Assets		
Unrestricted		
Designated	13,059,908	15,362,277
Undesignated	34,404,687	30,127,681
Temporarily Restricted	150,000	-
Total Net Assets	47,614,595	45,489,958
Total Liabilities and Net Assets	\$ 53,316,857	\$ 50,084,116

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS CONVENTION & VISITORS BUREAU
Consolidated Statements of Activities
December 31, 2017 and 2016

	2017	2016
Changes in Unrestricted Net Assets		
Revenue and Support		
Appropriations from Government Agencies	\$ 11,185,817	\$ 10,734,588
Tourism Support Assessment Revenue	18,971,976	18,500,605
Membership Dues	1,704,394	1,701,404
Hotel Occupancy Privilege Tax and Downtime Funding	1,217,435	1,123,944
Staffing Services Reimbursement	499,199	522,848
Louisiana Office of Tourism Support	545,838	525,000
Investment Return	1,847,175	763,052
Disaster Relief Funding	100,000	292,011
Other Revenue	463,436	445,610
Industry Show Cost-Share Reimbursement	256,699	541,698
Other Revenue - Legal Settlement	-	2,058,668
Total Unrestricted Revenue and Support	36,791,969	37,209,428
Expenses		
Program Services Expenses		
Convention Sales and Services	9,265,898	7,417,998
Communication and Public Relations	2,458,886	2,011,601
Tourism Promotion	4,393,875	3,091,078
Tourism Promotion Funded through Privilege Tax	1,147,380	1,237,731
External Affairs	464,053	436,227
Information Systems	643,588	630,591
Supporting Services Expenses		
Welcome Center Building, LLC	256,608	282,471
Support Initiatives	1,819,353	1,191,378
General and Administrative	3,058,392	2,737,339
Tourism Support Assessment External Commitments		
New Orleans Tourism Marketing Corporation Disbursements	8,107,920	7,903,719
City of New Orleans Disbursements	1,626,379	1,733,344
Louisiana State Police Funding	500,000	500,000
French Quarter Management District Disbursements	1,075,000	900,000
Total Expenses	34,817,332	30,073,477
Increase in Unrestricted Net Asset	1,974,637	7,135,951
Changes in Temporarily Restricted Net Assets		
Promotional Fund Grant	150,000	-
Increase in Temporarily Restricted Net Asset	150,000	-
Increase in Net Assets	2,124,637	7,135,951
Net Assets, Beginning of Year	45,489,958	38,354,007
Net Assets, End of Year	\$ 47,614,595	\$ 45,489,958

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS CONVENTION & VISITORS BUREAU
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in Net Assets	\$ 2,124,637	\$ 7,135,951
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	629,001	311,563
Amortization of Debt Issuance Cost	2,606	-
Loss on Disposal of Equipment	-	10,304
Unrealized Gain on Investment Securities	(1,374,997)	(465,387)
Decrease (Increase) in Assets		
Accounts and Other Receivable	(1,637,970)	1,178,070
Due from Investment Fund	(20,225)	1,724,233
Inventory	9,437	36,894
Prepaid Expenses	76,666	(3,407)
(Decrease) Increase in Liabilities		
Accounts Payable	(451,729)	(563,694)
Deferred Revenue	2,876	(51,224)
Promise to Give	(304,000)	(297,250)
Other Accrued Liabilities	1,858,351	427,402
Net Cash Provided by Operating Activities	914,653	9,443,455
Cash Flows from Investing Activities		
Proceeds from Sales of Investment Securities	2,784,644	5,796,336
Purchases of Investment Securities	(3,064,622)	(9,683,201)
Proceeds from Sales of Property	-	1,000
Capitalization and Acquisition of Property	(602,700)	(565,363)
Net Cash Used in Investing Activities	(882,678)	(4,451,228)
Cash Flows from Financing Activities		
Proceeds from Long-Term Debt	24,796	-
Debt Issuance Cost	(24,796)	-
Net Cash Provided by Financing Activities	-	-
Net Increase in Cash and Cash Equivalents	31,975	4,992,227
Cash and Cash Equivalents, Beginning of Year	18,602,273	13,610,046
Cash and Cash Equivalents, End of Year	\$ 18,634,248	\$ 18,602,273

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 1. Nature of Activities

History and Organization

The New Orleans Convention & Visitors Bureau is a private, non-profit 501(c)(6) organization dedicated to promoting the Greater New Orleans area as a destination for trade shows, conventions, tour groups and individual travelers. During 1999, New Orleans Convention & Visitors Bureau organized the Welcome Center Building, LLC, to purchase and manage the property at the location of its operating center. The center opened and began operating in June 2003. Since New Orleans Convention & Visitors Bureau is the sole member of the Welcome Center Building, LLC, the entity is disregarded from its owner for income tax purposes.

New Orleans & Company, Inc., a Louisiana non-profit corporation, was formed on June 30, 2008. On September 16, 2014, New Orleans & Company, Inc. issued a share of its common stock, par value \$0.01 per share, to New Orleans Convention & Visitors Bureau. New Orleans Convention & Visitors Bureau is the sole stockholder of New Orleans & Company, Inc. There has been no activity since New Orleans & Company, Inc.'s formation in 2008.

Note 2. Summary of Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the New Orleans Convention & Visitors Bureau and its wholly-owned subsidiary, the Welcome Center Building, LLC (the Bureau). In consolidation, significant intercompany accounts and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements of the Bureau are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, therefore, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic, *Financial Statements of Not-for-Profit Organizations*. In accordance with this guidance, the Bureau is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net asset, and permanently restricted net assets. The Bureau has temporarily restricted net assets totaling \$150,000 and no permanently restricted net assets.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include bank deposits, money market accounts, and certificates of deposit of three months or less.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount the Bureau expects to collect from outstanding balances. As of December 31, 2017 and 2016, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Inventory

Inventory consisting of maps and brochures is valued at the lower of cost (first-in, first-out method) or net realizable value.

Investments

Investments, consisting of common stocks, real estate investment trusts, exchange traded funds, and mutual funds, are recorded at fair value. Investments also include private equity/hedge funds reported at net asset value as a practical expedient to fair value. Unrealized gains and losses on investments in common stocks, real estate investment trusts, exchange traded funds, and mutual funds with readily determinable fair values are recorded in the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in unrestricted net assets unless the use is restricted by the donor. Donated investments are recorded at fair value at the date of receipt.

Property, Equipment, and Leasehold Improvements

Property and equipment are stated at cost, net of allowance for accumulated depreciation. Additions, improvements, and betterments to property and equipment in excess of \$500 which extends its useful life or increase its carrying value are capitalized.

Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the assets are charged to expense as incurred. When property and equipment are removed from service, the cost of the asset and the related accumulated depreciation are removed from the books and any resulting gain or loss is credited to or charged against the current period's change in net assets.

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives using the straight-line method. Depreciation expense is \$629,001 and \$311,563 for the years ended December 31, 2017 and 2016, respectively. The estimated useful lives used in computing depreciation are as follows:

Buildings and Improvements	5 to 40 Years
Furniture, Fixtures, and Equipment	5 to 10 Years
Vehicle	5 Years
Software	5 Years

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Valuation of Long-Lived Assets

The Bureau reviews the carrying value of long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The Bureau recognized no impairment during the years ended December 31, 2017 or 2016.

Deferred Revenue

Membership dues revenue is recognized when earned over the membership period. Advertising revenue billed in advance is deferred and recorded as income in the period in which the related services are provided.

Revenue

The Bureau reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statements of activities as net assets released from restrictions.

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Vacation and Sick Pay

All full time regular employees are eligible for five days annually of paid vacation after completion of sixty days of consecutive employment, ten days annually after one year of employment, fifteen days annually after five years of employment, twenty days annually after ten years of employment, and an additional day for each additional year of employment beginning with the sixteenth anniversary. Paid vacation hours are determined by employment anniversary date, adjusted by any leave of absence. All full time employees are also eligible for up to twenty-five sick days accruing five hours per month after completion of an initial sixty day introductory period. Vacation time unused at the end of the anniversary date is lost. Upon termination, unused vacation time is paid and sick time is lost.

Non-Direct Response Advertising

The Bureau expenses advertising costs as incurred. Advertising expenses charged to operations totaled \$2,443,739 and \$1,572,222 in 2017 and 2016, respectively.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Uncertain Tax Positions

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Bureau believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts recorded in the consolidated financial statements. Actual results may differ from these estimates due to information that becomes available subsequent to the issuance of the consolidated financial statements or other reasons.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled to when products are transferred to customers. ASU 2014-09 will be effective for the Bureau beginning in the year ending December 31, 2019, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. The Bureau is currently evaluating the impact of adopting the new revenue standard on its financial statements.

In January 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-05 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Bureau is currently evaluating the impact the adoption of this guidance will have on its financial statements.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory (ASU 2015-11)* which requires that inventory within the scope of this update, including inventory stated at first-in, first-out or average cost, be measured at the lower of cost and net realizable value. This update is effective for financial statements issued for fiscal year beginning after December 15, 2016. The adoption of ASU 2015-11 did not impact the Bureau's financial position.

Note 3. Concentration of Credit Risk

The Bureau maintains cash in four commercial banks. The total amount by which cash on deposit in those banks exceeds the federally insured limits is \$18,830,042 and \$18,386,894 as of December 31, 2017 and 2016 respectively. The Company has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Note 4. Due from Investment Fund

As of December 31, 2017, the Bureau had an amount due from investment fund in the amount of \$20,225. This represented funds that were received after December 31, 2017, for an investment account that was closed prior to December 31, 2017. There were no amounts due from investment funds at December 31, 2016.

Note 5. Investments

The fair market value of investments is as follows at December 31st:

	2017	2016
Common Stocks	\$ 5,713,669	\$ 4,964,183
Real Estate Investment Trusts	1,550,485	1,299,100
Private Equity/Hedge Funds	1,407,218	1,733,546
Mutual Funds	6,176,204	5,646,987
Exchange Traded Funds	2,041,749	1,590,534
Total Investments	\$ 16,889,325	\$ 15,234,350

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 5. Investments (Continued)

The following schedule summarizes the investment return and its classification in the consolidated statements of activities for the years ended December 31st:

	2017	2016
Dividends and Interest	\$ 472,178	\$ 297,665
Net Unrealized and Realized Gains	1,374,997	465,387
Total Investment Return	\$ 1,847,175	\$ 763,052

Note 6. Intangible Asset - Internet Domain

On May 2, 2014, the Bureau purchased ownership of, and all rights related to, the domain names, the websites and related rights of NewOrleans.com for a purchase price of \$1,200,000. This purchase was capitalized as an intangible asset not subject to amortization due to the indefinite life of the asset. On an annual basis, the Bureau will test the asset for impairment. There has been no impairment loss recorded as of December 31, 2017 and 2016.

Note 7. Debt

On March 16, 2017, the Bureau signed a non-revolving line of credit with a bank for \$7,000,000 with an interest rate of 3.75%. The note has an initial draw down period requiring interest only payments. Commencing September 16, 2018 the note converts to an amortizing loan based on a 25 year period with principal and interest payments due monthly until March 16, 2027 at that time all unpaid principal and interest is due. The note is secured by the Welcome Center Building. As of December 31, 2017, there was \$24,796 outstanding under this note payable.

In 2017, the Company adopted FASB ASU 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. This ASU requires debt issuance costs to be presented as a direct deduction from the carrying amount of the debt liability, rather than an asset. For the year ended December 31, 2017 \$2,606 of amortization of the financing costs are reported as amortization expense in the accompanying consolidated statement of operations.

Note 8. Fair Value Measurements

The Bureau follows the *Fair Value Measurement* Topic of the FASB ASC 820 which establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value establishes a framework for measuring fair value and expands disclosures about such fair value measurements.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 8. Fair Value Measurements (Continued)

The *Fair Value Measurement* Topic establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. ASC 820 requires that assets and liabilities earned at fair value be classified and disclosed in one of the following three categories:

Level 1 - Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 - Inputs are based upon quoted process for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The Bureau endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The fair value of assets and liabilities measured at estimated fair value on a recurring basis, including those items for which the Bureau has elected the fair value option, are estimated as described in the preceding section.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 8. Fair Value Measurements (Continued)

Recurring Fair Value Measurements (Continued)

These estimated fair values and their corresponding fair value hierarchy are summarized as follows:

December 31, 2017	Level 1	Level 2	Level 3	Total
Common Stocks				
Basic Materials	\$ 863,348	\$ -	\$ -	\$ 863,348
Consumer Goods	1,206,602	-	-	1,206,602
Financial	334,180	-	-	334,180
Healthcare	856,557	-	-	856,557
Industrial Goods	212,765	-	-	212,765
Information Technology	1,324,562	-	-	1,324,562
Business Services	253,482	-	-	253,482
Utilities	662,172	-	-	662,172
Total Common Stocks	5,713,669	-	-	5,713,669
Real Estate Investment Trusts	1,550,485	-	-	1,550,485
Private Equity/Hedge Funds				
Measured at Net Asset Value (a)	-	-	-	1,407,218
Exchange Traded Fund	2,041,749	-	-	2,041,749
Mutual Funds				
Natural Resources	345,058	-	-	345,058
Emerging Markets Bond	436,055	-	-	436,055
Multialternative	1,164,088	-	-	1,164,088
Multi Strategy	1,134,206	-	-	1,134,206
Intermediate Term Bond	3,096,797	-	-	3,096,797
Total Mutual Funds	6,176,204	-	-	6,176,204
Total Investments at Fair Value	\$ 15,482,107	\$ -	\$ -	\$ 16,889,325

- (a) In accordance with Subtopic 820-10, certain investment that are measured at fair value using the net asset value per share or its equivalent practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 8. Fair Value Measurements (Continued)

Recurring Fair Value Measurements (Continued)

These estimated fair values and their corresponding fair value hierarchy are summarized as follows:

December 31, 2016	Level 1	Level 2	Level 3	Total
Common Stocks				
Basic Materials	\$ 557,809	\$ -	\$ -	\$ 557,809
Consumer Goods	1,131,142	-	-	1,131,142
Real Estate	14,884	-	-	14,884
Financial	156,506	-	-	156,506
Healthcare	957,925	-	-	957,925
Industrial Goods	143,347	-	-	143,347
Information Technology	981,300	-	-	981,300
Business Services	399,537	-	-	399,537
Utilities	621,733	-	-	621,733
Total Common Stocks	4,964,183	-	-	4,964,183
Real Estate Investment Trusts	1,299,100	-	-	1,299,100
Private Equity/Hedge Funds				
Measured at Net Asset Value (a)	-	-	-	1,733,546
Exchange Traded Fund	1,590,534	-	-	1,590,534
Mutual Funds				
Multialternative	1,111,430	-	-	1,111,430
Multi Strategy	1,161,183	-	-	1,161,183
Intermediate Term Bond	3,374,374	-	-	3,374,374
Total Mutual Funds	5,646,987	-	-	5,646,987
Total Investments at Fair Value	\$ 13,500,804	\$ -	\$ -	\$ 15,234,350

- (a) In accordance with Subtopic 820-10, certain investment that are measured at fair value using the net asset value per share or its equivalent practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 8. Fair Value Measurements (Continued)

Recurring Fair Value Measurements (Continued)

The Bureau's investments at December 31, 2017, that feature net asset value per share are as follows:

	Adjusted Fair Value Calculated Using NAV	Number of Funds	Remaining Life	Unfunded Commitments	Redemption Terms	Redemption Restriction Terms	Redemption Restrictions and Terms in Place at Year End
Private Equity (Limited Partnership) (a)	\$ 1,407,218		N/A	\$ -	Monthly	May request redemption at a minimum of five business days prior to the end of the month.	N/A
Total	\$ 1,407,218			\$ -			

- (a) The purpose of the partnership is to invest its capital in such a manner as to achieve favorable returns through investment primarily in a diversified portfolio of equity securities of small capitalization companies. It seeks long-term capital appreciation by owning small capitalization stocks identified through fundamental research and considered mispriced relative to their intrinsic value.

The Bureau's investments at December 31, 2016, that feature net asset value per share are as follows:

	Adjusted Fair Value Calculated Using NAV	Number of Funds	Remaining Life	Unfunded Commitments	Redemption Terms	Redemption Restriction Terms	Redemption Restrictions and Terms in Place at Year End
Private Equity (Limited Partnership) (a)	\$ 1,333,354	1	N/A	\$ -	Monthly	May request redemption at a minimum of five business days prior to the end of the month.	N/A
Private Equity/ Hedge Fund (b)	-	1	N/A	-	Quarterly	May request redemption quarterly	N/A
Private Equity (Limited Partnership) (b)	400,192	1	N/A	-	Quarterly	May request redemptions quarterly with an 85 day notice period and 25% investor level gate per quarter.	N/A
Total	\$ 1,733,546			\$ -			

- (a) The purpose of the partnership is to invest its capital in such a manner as to achieve favorable returns through investment primarily in a diversified portfolio of equity securities of small capitalization companies. It seeks long-term capital appreciation by owning small capitalization stocks identified through fundamental research and considered mispriced relative to their intrinsic value.
- (b) This limited partnership seeks to generate high absolute returns through trading and investing in financial assets in the corporate credit, mortgage-backed securities, and asset-backed securities markets.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 9. Tourism Support Assessment Revenue

The Tourism Support Assessment became effective on April 1, 2014. The Tourism Support Assessment is an assessment by the Bureau on its member hotels within an Assessment Area. The assessment is 1.75% of daily room charges for occupancy and applies only to those room charges that are subject to the state authorized hotel and motel taxes. The assessment, as adopted by the board of directors of the Bureau, reads as follows: On or before the 20th day of each month, each hotel member shall remit to the Bureau or its designated agent an amount equal to 1.75% of those room charges for occupancy of its hotel rooms in the Assessment Area in the preceding month that are subject to state authorized hotel and motel taxes.

Net proceeds of the assessment (after payment or provision for payment of program expenses) are disbursed to the Bureau, New Orleans Tourism and Marketing Corporation (NOTMC) and the City of New Orleans monthly as follows: (i) .75% of the 1.75% assessment to the Bureau for tourism and convention sales marketing, (ii) .75% of the 1.75% assessment to the NOTMC for tourism marketing and (iii) .25% of the 1.75% assessment to the City of New Orleans for enhancement of the French Quarter and its immediately surrounding area.

On March 9, 2015, the Bureau entered into a cooperative endeavor agreement with the City of New Orleans and the French Quarter Management District (FQMD). In this agreement it was noted that the Bureau would reduce the disbursements to the City of New Orleans and remit to the FQMD an amount not to exceed \$50,000 per month until May 31, 2015 and not to exceed \$75,000 per month thereafter. Beginning from June 2017, the Bureau remits to the FQMD amount not to exceed \$100,000.

Tourism support assessment revenue totaled \$18,971,976 and \$18,500,605 for the years ended December 31, 2017 and 2016, respectively.

Note 10. Other Revenue - Legal Settlement

During 2016, the Bureau settled litigation against third parties related to the construction and design of the Welcome Center Building. The amount received in conjunction with this settlement was \$2,058,668. This amount is shown as other revenue - legal settlement in the consolidated statement of activities for the year ended December 31, 2016.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 11. Net Assets

Board-designated, unrestricted net assets are designated to support the following as of December 31st:

	2017	2016
Hotel Occupancy Privilege Tax	\$ 1,316,190	\$ 1,566,429
Future Commitments	11,743,718	13,795,848
Total	\$ 13,059,908	\$ 15,362,277

The following is the future commitments of net assets by year as of December 31, 2017

2018	\$ 4,193,140
2019	3,536,413
2020	1,718,900
2021	419,605
2022	542,915
Thereafter	1,332,745
Total	\$ 11,743,718

Temporarily restricted net assets consist of Promotional Fund Grant of \$150,000 awarded by the BP Settlement Trust for print and digital media campaign to promote tourism to New Orleans during the period of November 1, 2017 to July 31, 2018.

Note 12. Hotel Tax Statutory Dedication

The Bureau has arrangements with the State of Louisiana (the State) to promote leisure tourism and economic development in the Greater New Orleans area in exchange for government appropriations. Act 17 of the 2016 Regular Legislative Session provides for an annual appropriation of up to \$11,300,000 based on the State's fiscal year end June 30, 2017. Act 3 of the 2017 Second Extraordinary Legislative Session provides for an annual appropriation of up to \$10,900,000 based on the State's fiscal year end June 30, 2018. The actual appropriation recorded for the years ended December 31, 2017 and 2016, by the Bureau, was \$11,185,817 and \$10,734,588, respectively.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 13. Defined Contribution Plan

The Bureau offers full-time employees who have completed sixty days of continuous service participation in its 401k plan. Employees may contribute up to the maximum level of deferral allowed by the Internal Revenue Service. The plan provides for employer contributions up to 100% on the first 5% of employee contributions. The employees are 100% vested after completion of two years of service. During the year ended December 31, 2016 the Bureau made an additional 1% discretionary contribution. Matching contributions for the years ended December 31, 2017 and 2016 were \$249,985 and \$259,898, respectively.

During the year ended December 31, 2017 the Bureau offered the president and CEO a participation in Executive 457(f) plan. The plan provides for employer contributions equal to participant's gross annual bonus received. Contribution for the year ended December 31, 2017 was \$111,400.

Note 14. Donated Services (Unaudited)

The Bureau has received a significant amount of non-professional donated services from various businesses in and around Greater New Orleans. These services were used in programs designed to promote the local tourism market. Management estimates that approximately \$580,613 and \$2,515,549 of donated services were received in 2017 and 2016, respectively. However, these services do not meet all of the applicable requirements of ASC 958, *Not-for-Profit Entities*; therefore, no amounts have been reflected in the consolidated financial statements for these donated services.

Note 15. Commitments and Contingencies

Operating Leases

The Bureau leases office equipment and vehicles under various leases with expiration dates. Minimum future rentals are as follows:

2018	\$	41,124
2019		28,601
2020		22,540
2021		12,560
2022		600
Thereafter		<u>24,000</u>
Total	\$	<u>129,424</u>

Rent expense in 2017 and 2016, totaled \$62,433 and \$60,528 respectively.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 15. Commitments and Contingencies (Continued)

Other Commitments and Contingencies

On September 27, 2016 the Bureau entered into an agreement with Dick Clark Productions, Inc. in order to participate in Dick Clark's New Year's Rockin' Eve for New Year's Eve 2016/17, 2017/18, and 2018/19 programming. The Bureau agreed to provide the producer \$950,000 for the 2016/17 program and \$400,000 for both the 2017/18 and 2018/19 programs. The Bureau also entered into an agreement with the Louisiana Department of Culture, Recreation and Tourism, Office of Tourism to receive reimbursement totaling \$700,000 for the 2016/17 program, and \$150,000 for both the 2017/18 and 2018/19 programs. The Bureau recorded a net expense of \$250,000 after reimbursements in the consolidated statement of activities for the years ended December 31, 2017 and 2016.

On February 14, 2017 the Bureau entered into an agreement with Festival Productions BCM, LLC in order to participate in Bayou Country Superfest in New Orleans during the Memorial Day weekend in each of 2017 and 2018 years. The Bureau agreed to pay rights fees in the amount of \$200,000 in 2017 and \$275,000 in 2018. The Bureau recorded \$200,000 expense in the consolidated statement of activities for the year ended December 31, 2017.

Note 16. Promise to Give

During the year ended December 31, 2011, the Bureau entered into an event support agreement with the Essence Festival, and renewed the agreement for the July 2011, 2012, 2013 and 2014 events. During the year ended December 31, 2014, the Bureau extended the contract for the period of five years. At December 31, 2017 and 2016, included in current liabilities is \$312,000 and \$304,000, respectively, and in long-term liabilities is \$315,000 and \$627,000, respectively, due for this event within five years.

Note 17. Cooperative Endeavor Agreements

During 2015, the Bureau operated 4 international offices in the UK, Germany, France, and Canada, as well as in "targeted international markets" also referred as "emerging markets" on behalf of the State of Louisiana to promote tourism. The "emerging markets" funding supports tourism promotions in Mexico, Brazil, the Netherlands, Scandinavia, China, Australia, and Japan. The Louisiana Office of Tourism reimburses the Bureau for 65% of the cost of marketing and operations at these foreign offices with a maximum reimbursement of \$525,000, which increased to \$566,676 annually beginning July 1, 2017. Included in Louisiana Office of Tourism support on the consolidated statements of activities is \$545,838 and \$525,000 for the years ended December 31, 2017 and 2016, respectively, related to this funding.

NEW ORLEANS CONVENTION & VISITORS BUREAU

Notes to Consolidated Financial Statements

Note 17. Cooperative Endeavor Agreements (Continued)

On September 4, 2015, there was a cooperative endeavor agreement entered into by the City of New Orleans, the Bureau and the New Orleans Ernest N. Morial Convention Center. The Bureau in conjunction with other tourism partners at the New Orleans Tourism and Marketing Corporation and New Orleans Ernest N. Morial Convention Center will provide funds that will assist in the ongoing placement of a full-time State Police presence in and around the French Quarter. During the years ended December 31, 2017 and 2016 the Bureau incurred expenses of \$500,000 under this agreement. This is a five year commitment and the same funding will occur each year until 2020.

On March 27, 2017, the Bureau entered into a commercial agreement with an international airline in order to launch and develop a new flight route. In order to mitigate the financial risks inherent in starting new routes and specifically to support the route's revenue performance, the Bureau agreed to provide a risk mitigation guarantee should the route not achieve its targets. The agreement is in effect until 2019. The Bureau signed cooperative endeavor agreements with Louisiana Department of Economic Development, City of New Orleans, Jefferson Parish, E. N. Morial Convention Center, and Louisiana Office of Tourism to mitigate the risk associated with the guarantee. The Bureau recorded a net expense of \$750,000 after reimbursements in the consolidated statement of activities under this agreement for the year ended December 31, 2017. Under this agreement, the Bureau also provides marketing funds of \$1,000,000 per year, over the three year agreement. During the years ended December 31, 2017 the Bureau incurred promotion expenses of \$710,739 under this agreement.

Note 18. Subsequent Events

Management has evaluated subsequent events through, June 4, 2018, the date which the consolidated financial statements were available to be issued and determined no subsequent event occurred that requires disclosure.

SUPPLEMENTARY INFORMATION

NEW ORLEANS CONVENTION & VISITORS BUREAU
Schedule of Compensation, Benefits, and Other Payments to
Agency Head
For the Year Ended December 31, 2017

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement or local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
J. Stephen Perry, President/CEO

Purpose	Amount
Salary	\$ -
Bonus	\$ -
Benefits - Insurance	\$ -
Benefits - Retirement	\$ -
Benefits - Other	\$ -
Car Allowance	\$ -
Vehicle Provided by Organization	\$ -
Per Diem	\$ -
Reimbursements	\$ -
Travel	\$ -
Registration Fees	\$ -
Conference Travel	\$ -
Continuing Professional Education Fees	\$ -
Miscellaneous Expenses	\$ -

*All compensation and expenses for the Agency Head are paid for with funding provided by the private sector.

NEW ORLEANS CONVENTION & VISITORS BUREAU
Schedule of Support Initiatives
For the Years Ended December 31, 2017 and 2016

	2017	2016
Support Initiatives		
Sponsorships	\$ 416,654	\$ 372,293
Dick Clark Productions	250,000	250,000
Local Advocacy (NO Will)	418,915	394,100
External Commitments (NOTMN/FQMD)	125,000	125,000
Bayou Country	200,000	-
Hospitality Coalitions	408,784	49,985
	<hr/>	<hr/>
Total Support Initiatives	\$ 1,819,353	\$ 1,191,378

See independent auditor's report.

**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***

Independent Auditor's Report

To the Board of Directors
New Orleans Convention & Visitors Bureau

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 consolidated financial statements of the New Orleans Convention & Visitors Bureau and its subsidiary (the Bureau) which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 4, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Bureau'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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's consolidated 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*.

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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 4, 2018

NEW ORLEANS CONVENTION & VISITORS BUREAU
Schedule of Findings and Responses

For the Year Ended December 31, 2017

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards - Not applicable

Part II - Financial Statement Findings

None noted.

NEW ORLEANS CONVENTION & VISITORS BUREAU
Schedule of Prior Audit Findings

For the Year Ended December 31, 2017

None noted.

AGREED-UPON PROCEDURES REPORT
New Orleans Convention and Visitors Bureau

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2017 – December 31, 2017

To the Board Members of the
New Orleans Convention and Visitors Bureau and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the New Orleans Convention and Visitors Bureau (the Organization) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. Accordingly, we do not express such an opinion or conclusion. He we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts**, including receiving, recording, and preparing deposits.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: LaPorte obtained the written policies and procedures for all applicable financial/business functions listed above. The Organization does not have policies to address ethics or debt service as it is a nonprofit entity and is not required to maintain such policies.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: LaPorte obtained the Board of Directors' minutes for the fiscal period and noted that the Board of Directors met at least quarterly, in accordance with the Organization's written policy. The finance committee minutes referenced monitoring the budget. Per the Organization's policy, contracts and disbursements are not required to have board approval. Therefore, the criteria described in 2.c. is not applicable to the Organization.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: LaPorte obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: LaPorte selected 5 bank accounts and obtained bank statements and reconciliations. Criteria 4.a. was met without exception. While performing procedure 4.b., we noted that for 4 of 5 bank accounts selected, there were 9 out of 40 instances where there were no review tickmarks or a signature to evidence the review had occurred. While performing procedure 4.c., we noted that one bank account had 10 checks outstanding for more than 6 months as of the end of the fiscal period. Per the Organization's policy, checks older than 12 months should be voided and miscellaneous income should be recognized for the voided amount.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: LaPorte obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete. We noted only one cash collection location.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: LaPorte selected all of the entity's cash locations and performed procedures 6.a. through 6.c., as there was only one collection site. LaPorte noted that the individuals responsible for depositing cash are bonded. We obtained the written policies and procedures over cash collections and reconciliations. We noted that the individual who collects cash is not responsible for depositing cash. While performing procedure 6.c., we were unable to determine the amount of time from collection to deposit, as check was not stamped upon receipt. As a result, we were unable to test this attribute. The Organization has no written policy that limits the number of days between check receipt and deposit.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: LaPorte obtained the entity's written procedures over cash collections. The individual who collects cash is not responsible for depositing cash.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: LaPorte obtained from management a disbursement listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: LaPorte obtained supporting documentation for 25 disbursements and performed procedures 9.a. through 9.c. Per the Organization's written policy, and due to the nature of the transactions, not all purchases are initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions; however, all purchases were approved manually prior to payment by a person other than the individual who initiated the transaction.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: Through inquiry of management, we noted that the same individual that processes payments is also able to add new vendors.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: LaPorte noted that the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: Through inquiry of management and observation, LaPorte noted that the supply of blank checks is maintained in a locked drawer to which only the VP of Finance has the key. The VP of Finance does not possess signatory authority and checks are not electronically printed.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: Through inquiry of management, LaPorte determined that the Organization does not use a signature stamp or a machine. All checks are manually signed by authorized signatories.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: LaPorte obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: LaPorte obtained the monthly statements for the 10 credit cards selected and performed procedures 15.a. and 15.b. listed above. We noted that for the largest month selected for testing, all statements were properly reviewed and approved, in writing, by someone other than the authorized card holder prior to payment. No finance charges or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: LaPorte obtained supporting documentation for 10 credit cards for the month with the highest charges and performed the procedures 16.a. through 16.c. While performing procedure 16.a., we noted one instance where a receipt was provided, but was not itemized. The cardholder had noted on the non-itemized receipt what had been purchased. For all transactions tested, the business purpose was documented and for all meal charges the participants were listed. For procedures 16.b. and 16.c. no exceptions were identified.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: LaPorte obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period and management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: LaPorte obtained the Organization's written policies related to travel and expense reimbursements. Per diem and mileage rates are not defined. Reimbursable expenses outlined in the policy are qualitatively or judgmentally defined rather than being limited by a specific dollar amount.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose. (Note: For meal charges, there should also be documentation of the individuals participating.)
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: LaPorte selected the three persons who incurred the most travel costs during the fiscal period and performed procedures 19.a. through 19.d. While performing procedure 19.a., LaPorte noted that one of the three persons selected had a nightly hotel room expense reimbursement which exceeded GSA guidelines, but was within the Organization's policy, as there are no dollar limits imposed in their policy manual. In another instance, one of the three persons selected had several reimbursed expenses for tips to bag handlers and doormen that exceeded the Organization's written policy on tip amounts. In performing procedure 19.b., we noted that one of the three persons selected had one of four expenses reimbursed without providing itemized receipts. For all three persons, the business purpose was documented in every instance and in the case of meal charges, participants were listed in all instances. No exceptions were identified while performing procedures 19.c. and 19.d.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger, and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: LaPorte obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: LaPorte obtained the five contracts for the vendors with the largest payments during the fiscal period and performed procedures 21.a. through 21.e. We noted that for the five contracts selected, a formal written contract supports the arrangement and the amounts paid. None of the contracts selected were subject to public bid law and, where applicable, we obtained supporting documentation that the Organization obtained quotes as best practice. There were no amendments to the contracts selected. For the largest payment from each of the five contracts, the supporting invoice and related payment complied with the terms and conditions of the contract. Per the Organization's policy, contracts are not subject to board approval, therefore, the criteria relating to board approval is not applicable to the Organization.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: LaPorte obtained a listing of employees with their related salaries and obtained management's representation that the listing is complete. For the five employees selected, payments were made in strict accordance with the terms and conditions of the pay rate structure. Changes made to hourly pay rates/salaries during the period were approved in writing and in accordance with the Organization's written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: LaPorte obtained attendance and leave records for all employees, randomly selected a period in which leave was taken by at least one employee, and performed procedures 23.a. through 23.c. All employees selected documented their daily attendance and leave in an electronic system maintained by the Organization. In all instances, attendance, vacation, and sick leave were approved for all employees. We noted that the Organization maintained electronic leave records for all qualifying employees.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: LaPorte obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. The two largest termination payments made during the fiscal period were made in strict accordance with policy and were approved by management.

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: LaPorte obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period. We noted that the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: This is not applicable to the Organization as it is a nonprofit entity.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: This is not applicable to the Organization as it is a nonprofit entity.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: This is not applicable to the Organization as it is a nonprofit entity.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: This is not applicable to the Organization as it is a nonprofit entity.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: This is not applicable to the Organization as it is a nonprofit entity.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: LaPorte inquired of management whether the Organization had any misappropriations of public funds or assets. To management's knowledge, there have been no misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: LaPorte noted that the Organization has posted on its premises and website the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: LaPorte noted no exceptions regarding managements representations in the procedures performed above.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management and Board Members of the New Orleans Convention and Visitors Bureau and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 5, 2018



New Orleans Convention & Visitor's Bureau Agreed Upon Procedures Management Response Report

4. b) Although tickmarks were not present on these nine samples, all statements and reconciliations are reviewed monthly by the Vice President of Finance. Please note that the CVB has twelve bank accounts which are all reviewed monthly and the lack of the tickmark on these reconciliations were just an oversight. There are instances where an item may be questioned within the statement or reconciliation and returned to the staff accountant for an answer or explanation and at that time the reconciliation is not ticked off. It is only when the response is received that the reconciliation is reviewed a second time and if the response is satisfactory, it is then ticked off and filed away. There may have been some instances where this was the case and it was just reviewed and filed away and not ticked off. Secondly, the VP of Finance keeps a daily running cash balance on all bank accounts therefore, always has knowledge of all activity within the accounts. A copy of all accounts payable registers, voided checks, deposits, intercompany transfers and any other transactions are forwarded to the VP of Finance as processed so that they can be logged. This process assures the VP of Finance that she always has a current ledger of all bank accounts activity and balances.

4. c) The normal process of voiding stale dated checks was intentionally not done due to the processes and policies that was being planned to implement unclaimed property procedures. We had begun to develop these policies and procedures to handle stale dated checks via this process therefore, intended to begin the process using the stale dated checks from 2017.

6. c) Although there is no written policy that limits the number of days between check receipt and deposit, all checks are collected and deposited daily. If checks are received prior to 2pm, the staff accountant stamps all checks for deposit only and either remotely deposits (where available) or writes up a deposit slip and notifies the courier that a bank deposit is needed. Checks were never date stamped however; always immediately stamped for deposit only. This has always been our practice with checks and did not think that it was legal to deface a legal document such as a check with a date stamp. We have since implemented a policy to turn the check over and date stamp with a received date within the section that has limited space to endorse. This area of the check now contains the deposit only stamp and received date stamp.

10. The accounts payable clerk has always performed all functions of this position. Upon recommendation of the auditors during field work, we have since mandated and put into policy that the staff account input all vendors and the accounts payable clerk processes payments.

19. a) The CVB does not adhere and has never adhered to GSA guidelines since we are a non-governmental organization.

19. a) continued - The other instance mentioned within the report of over tipping included an excess of \$1 per bag over the policy amount. This was an oversight and has since been rectified by sending a reminder to all traveling personnel of tipping limits within the policy.

Agreed Upon Procedures Management Response Report (continued page 2)

19. b) The expense noted that did not have an itemized receipt was the result of our Senior Vice President of Sales dining at an old café for breakfast that did not provide formal itemized receipts only a hand written two-part chit. Although a formal itemized receipt was not provided or available from this dining establishment a full explanation was included with the expense report along with what was purchased. This all seemed reasonable therefore, the expense was reimbursed. The CVB's Travel & Entertainment contains the following information knowing there could be scenarios where all policies could not be met:

The Travel & Entertainment Policy contains only general guidelines and information. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. The procedures, practices, policies, and benefits described here may be modified or discontinued from time to time. CVB employees will make every attempt to be in full compliance with this policy however; at times exceptions will be allowed based on circumstances. All items addressed in the Travel and Entertainment Policy should be followed to the best of employee's ability.