

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **New Orleans Multicultural Tourism Network, Inc. (NOMTN)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

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

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**Auditors' Responsibility, Continued**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **NOMTN** as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**New Orleans Multicultural  
Tourism Network, Inc.**  
Page 3

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation Benefits and Other Payments to the Executive Director/President on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule 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 schedule 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 26, 2019, on our consideration of NOMTN's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NOMTN's internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 26, 2019

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018

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ASSETS

Cash and cash equivalents	\$ 120,600
Due from New Orleans Tourism Marketing Corporation (NOTMC)	139,894
Computer equipment, net of accumulated depreciation of \$5,091 (NOTES 4 and 8)	5,587
Other assets	<u>2,633</u>
Total assets	<u>\$ 268,714</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	<u>\$ 12,810</u>
Total liabilities	<u>12,810</u>
Net assets	
Without donor restrictions	<u>255,904</u>
Total net assets	<u>255,904</u>
Total liabilities and net assets	<u>\$ 268,714</u>

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

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2018

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<b><u>SUPPORT AND REVENUES:</u></b>	<b><u>Without Donor Restrictions</u></b>
NOTMC funding (NOTE 5)	\$ 434,027
Optional hotel assessment funding - NOTMC	50,000
Optional hotel assessment funding - NOCVB	50,000
Membership	425
Miscellaneous Income	2,407
	2,407
Total support and revenues	536,859
 <b><u>EXPENSES:</u></b>	
Administrative	126,969
Convention sales and marketing expenses	389,643
	389,643
Total expenses	516,612
Changes in net assets	20,247
Net assets, beginning of year	235,657
	235,657
Net assets, end of year	\$ 255,904

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

**NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Convention Sales and Marketing</u>	<u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 42,645	\$ 18,277	60,922
Payroll taxes	7,270	3,115	10,385
Total salaries and related expenses	49,915	21,392	71,307
Professional fees	61,222	74,827	136,049
Parking	-	4,864	4,864
Collateral materials	12,378	-	12,378
Postage and courier	-	785	785
Meeting expense	8,013	-	8,013
Office supplies	-	4,516	4,516
Rent	12,618	12,618	25,236
Special Events	76,175	-	76,175
Events: Professional Development	12,509	-	12,509
Events: Business Development	51,383	-	51,383
Travel	6,099	-	6,099
Telephone	3,192	3,192	6,384
Miscellaneous	-	70	70
Printing	7,613	155	7,768
Insurance	2,415	2,415	4,830
Equipment	8,015	-	8,015
Promotions	78,096	-	78,096
Total expenses before depreciation	389,643	124,834	514,477
Depreciation	-	2,135	2,135
Total expenses	<u>\$ 389,643</u>	<u>\$ 126,969</u>	<u>\$ 516,612</u>

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

**NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 20,247
Adjustments to reconcile change in net assets to net assets used in operating activities:	
Depreciation	2,135
Changes in assets and liabilities:	
Decrease in due from New Orleans Tourism Marketing Corporation	(36,685)
Decrease in due from employee	
Decrease in accounts payable and accrued liabilities	<u>10,024</u>
Net cash used in operating activities	<u>(4,279)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payments on capital lease	<u>(730)</u>
Net cash used in financing activities	<u>(730)</u>
Net decrease in cash and cash equivalents	(5,009)
Cash and cash equivalents at beginning of year	<u>125,609</u>
Cash and cash equivalents at end of year	<u>\$ 120,600</u>

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

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

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NOTE 1 - Summary of Significant Accounting Policies:

(A) Organization

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

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

**NOMTN** files as a tax-exempt organization. Should that status be challenged in the future, **NOMTN's** 2015, 2016 and 2017 tax years are open for examination by the IRS.

(B) Basis of Accounting

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

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

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NOTE 1 - Summary of Significant Accounting Policies:

(C) Basis of Reporting

Effective January 1, 2018, **the Foundation** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **the Foundation** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **the Foundation** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

At December 31, 2018, **NOMTN** has no net assets with donor restrictions.

Contributions

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

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

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

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NOTE 1 - Summary of Significant Accounting Policies, Continued;

(D) Office Furniture and Equipment

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

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

(E) Statement of Cash Flows

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

(F) Estimates

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

(G) Advertising

**NOMTN** uses advertising to promote its mission to attract tourism and convention business to the greater New Orleans area. The costs of advertising are expensed as incurred.

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

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NOTE 2 - Functional Allocation of Expenses:

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries and fringe benefits have been allocated among NOMTN's programs and supporting services benefitted. The allocation between functions is based on time spent by specific employees as estimated by management. All other costs are charged directly to the appropriate functional category.

NOTE 3 - Donated Services:

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

NOTE 4 - Office Furniture and Equipment:

Office furniture and equipment, at cost, and accumulated depreciation as of December 31, 2018 are summarized as follows:

Office furniture and equipment	\$10,678
Less: accumulated depreciation	<u>(5,091)</u>
	<u>\$ 5,587</u>

Depreciation expense for the year ended December 31, 2018 was \$2,135.

NOTE 5 - Economic Dependency:

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

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

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NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

NOMTN maintains adequate operating reserves. The current financial assets totaled \$260,494 are available for general expenditures, that is, without donor or other restrictions limiting their use.

NOTE 7 - Operating Lease:

NOMTN has an operating lease for rental of office space, which is non-cancelable over the next year remaining under the term of the lease. Rental expense under the non-cancelable operating lease for the year ended December 31, 2018 was \$25,236.

NOTE 8 - Capital Lease:

NOMTN is the lessee of computer equipment under a capital lease expiring in 2018. The assets and liabilities under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is amortized over its estimated productive lives. Amortization of the asset under the capital lease is included in depreciation expense for fiscal year 2018.

Following is a summary of property held under the capital lease:

Computer equipment	\$ 10,678
Accumulated amortization	<u>(5,091)</u>
	<u>\$ 5,587</u>

NOTE 9 - Fair Values of Financial Instruments:

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

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

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NOTE 10 - Concentration of Credit Risk:

NOMTN maintains noninterest bearing accounts at local banks. The Federal Deposit Insurance Corporation (FDIC) provides deposit insurance coverage up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. At December 31, 2018, NOMTN's deposits were fully insured.

NOTE 11 - Subsequent Events:

NOMTN is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition or disclosure in the financial statements. NOMTN performed such an evaluation through June 26, 2019, the date which the financial statements were available to be issued.

In 2018, NOMTN became aware of misappropriation of public funds by a former employee of NOMTN. The misappropriation of public funds in the amount of approximately \$70,000 occurred in 2014 to 2016. In January 2017, this former employee resigned from NOMTN. Also, in 2018, NOMTN notified the Louisiana Legislative Auditor and the New Orleans District Attorney their knowledge of the misappropriation of public funds, as described above.

The Office of the Inspector General of the City of New Orleans (OIG) investigated the alleged theft of public funds by NOMTN's former employee and submitted their findings to the New Orleans District Attorney. The District Attorney prosecuted the case and the matter was completed in 2019 with NOMTN's former employee accepting a guilty plea deal.

In 2019, NOMTN received restitution from this matter in the amount of \$80,682.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.  
 SCHEDULE OF COMPENSATION, BENEFITS AND  
 OTHER PAYMENTS TO THE EXECUTVE DIRECTOR/PRESIDENT  
 FOR THE YEAR ENDED DECEMBER 31, 2018

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**President Name:** Essence Harris Banks

<u>Purpose</u>	<u>Amount</u>
Salary	\$87,083
Benefits – insurance	-0-
Benefits – retirement	-0-
Benefits – worker’s comp	-0-
Benefits – life insurance	-0-
Benefits – Medicare	-0-
Benefits – Social Security	-0-
Benefits – unemployment comp	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	1,214
Reimbursements	942
Travel	71
Registration fees	1,195
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See Independent Auditors’ Report on Supplementary Information.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **New Orleans Multicultural Tourism Network, Inc. (NOMTN)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2019.

**Internal Control Over Financial Reporting**

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

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

**Internal Control over Financial Reporting, Continued**

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 NOMTN's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

**Purpose of this Report**

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

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



BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
New Orleans, Louisiana

June 26, 2019

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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We have audited the financial statements of **New Orleans Multicultural Tourism Network, Inc.** as of and for the year ended December 31, 2018, and have issued our report thereon dated June 26, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2018, resulted in an unmodified opinion.

**SECTION I - Summary of Auditors' Results**

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported**; material weaknesses: **No**.
- B. Noncompliance which is material to the financial statements: **No**.
- C. Significant deficiencies in internal control over major programs: **N/A** Material weaknesses: **N/A**.
- D. The type of report issued on compliance for major programs: **N/A**.
- E. Any audit findings which are required to be reported under section 200.516 of OMB Uniform Guidance: **N/A**.
- F. Major programs: **N/A**.
- G. Dollar threshold used to distinguish between Type A and Type B programs: **N/A**.
- H. Auditee qualified as a low-risk auditee under section 200.520 of OMB Uniform Guidance: **N/A**.
- I. A management letter was issued: **No**.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.  
SCHEDULE OF FINDINGS, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

No matters reported.

**SECTION III - Federal Award Findings and Questioned Cost**

Not applicable.

NEW ORLEANS MULTICULTURAL TOURISM NETWORK, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

2017-001 - **Insurance Coverage**

In general, internal controls are designed to safeguard assets and help prevent losses from employee dishonesty. However, the cost of maintaining internal controls sufficient to prevent such losses would be prohibitive. Accordingly, insurance, such as fidelity bonds, may be practical, relatively inexpensive supplement to internal controls. We recommended that NOMTN consider obtaining adequate fidelity bond coverage for each employee who handles cash.

We further recommended that NOMTN review the adequacy of insurance coverage of its present insurance policies. Also, consider adding new insurance policies to cover NOMTN's property and equipment and employee personal vehicles used while conducting NOMTN business.

**Current Status**

Resolved.

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

Not applicable.

*Section III - Management Letter*

No matters were reported.

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

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Member**

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Society of Louisiana  
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**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

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To the Board of Directors of **New Orleans Multicultural  
Tourism Network, Inc.** and Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by **New Orleans Multicultural Tourism Network, Inc. (NOMTN)** and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-upon Procedures (SAUPs), and certain additional procedures requested by the Board of Directors of **NOMTN**, for the year ended December 31, 2018 ("fiscal period"). **NOMTN's** management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described on pages 2 to 4 either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS**

Our procedures and findings related to the agreed-upon procedures are as follows:

***Written Policies and Procedures***

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1. We obtained and inspected NOMTN's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*No exceptions were noted.*
  - 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.  
*No exceptions were noted.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*No exceptions were noted.*
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).  
*No exceptions were noted.*
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*No exceptions were noted.*
  - 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.  
*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**(CONTINUED)**

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*No exceptions were noted.*

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions were noted.*

- 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.

*Not applicable.*

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable.*

**Bank Reconciliations**

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2. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify **NOMTN's** main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions were noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);

*No exceptions were noted.*

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(CONTINUED)**

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were noted.*

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion or conclusion on management's assertions, respectively, on those control and compliance 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.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report 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.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 26, 2019