

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2023

TABLE OF CONTENTS

December 31, 2023

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION:	
Schedule of Compensation, Benefits and Other Payments to the President and Chief Executive Officer	15
Budgetary Comparison Schedule	16
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 <i>GOVERNMENT AUDITING STANDARDS</i>	17
SCHEDULE OF FINDINGS	20
SCHEDULE OF PRIOR YEAR FINDINGS	22

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
New Orleans Tourism and Cultural Fund
(A Component Unit of the City of New Orleans)
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Orleans Tourism and Cultural Fund (NOTCF) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NOTCF as of December 31, 2023, 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.

Basis for Opinion

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NOTCF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NOTCF's ability to continue as a going concern within one year after the date that the financial statements

are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NOTCF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NOTCF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Budgetary Comparison Schedule and the Schedule of Compensation, Benefits and Other Payments to the President & Chief Executive Officer are presented for purposes of additional analysis and are 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 Budgetary Comparison Schedule and the Schedule of Compensation, Benefits and Other Payments to the President & Chief Executive Officer are 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 May 30, 2024, on our consideration of NOTCF'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 solely 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 NOTCF'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 NOTCF's internal control over financial reporting and compliance.

Bruno & Tervalon LLP

New Orleans, Louisiana
May 30, 2024

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 4,409,595
Occupancy privilege tax receivable	1,704,950
Casino City lease receivable	1,000,000
Prepaid expenses	<u>72,977</u>

Total current assets 7,187,522

Other Asset:

Operating lease right-of-use asset	<u>75,755</u>
------------------------------------	---------------

Total assets \$ 7,263,277

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 47,894
Current portion of operating lease liability	<u>25,970</u>

Total current liabilities 73,864

Noncurrent Liabilities:

Compensated absences	27,036
Operating lease liability, net of current portion	<u>52,252</u>

Total noncurrent liabilities 79,288

Total liabilities 153,152

Net Assets

Without donor restrictions	<u>7,110,125</u>
----------------------------	------------------

Total net assets 7,110,125

Total liabilities and net assets \$ 7,263,277

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

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	WITHOUT DONOR RESTRICTIONS
SUPPORT AND REVENUES:	
Occupancy privilege tax (net of collection fees)	\$ 5,082,175
Casino City lease	1,000,000
NOTCF Gala	94,014
Investment earnings	70,533
 Total support and revenues	 6,246,722
EXPENSES:	
Program services	6,562,961
Supporting services	
Management and general	482,587
Fundraising	10,000
 Total expenses	 7,055,548
 Change in net assets	 (808,826)
 Net assets, beginning of year	 7,918,951
 Net assets, end of year	 \$ 7,110,125

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

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Compensation and related expenses	\$ 141,833	\$ 263,498	\$ -	\$ 405,331
Cultural Economy Mini-Grants Awarded	905,067	-	-	905,067
Cultural Economy Level 2 Grants Awarded	1,043,295	-	-	1,043,295
Cultural Economy Level 3 Grants Awarded	2,475,590	-	-	2,475,590
Cultural Economy Programming Other	176,045	-	-	176,045
NOLA X NOLA Grants	204,000	-	-	204,000
Super Bowl LXIV Host Committee Sponsorship	250,000	-	-	250,000
Essence Festival Sponsorship	349,989	-	-	349,989
Dedicated Expenses	390,000	-	-	390,000
Marketing Expenses	254,842	6,000	-	260,842
NOTCF Honors Gala	372,300	-	10,000	382,300
Bank Charges	-	6,789	-	6,789
Training	-	1,380	-	1,380
Investment Fees	-	1,396	-	1,396
Parking	-	19,608	-	19,608
Rent	-	45,837	-	45,837
Office Expense	-	127,397	-	127,397
Insurance	-	10,682	-	10,682
Total	\$ 6,562,961	\$ 482,587	\$ 10,000	\$ 7,055,548

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

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (808,826)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Changes in assets and liabilities:	
Increase in occupancy privilege tax receivable	(841,349)
Increase in prepaid expenses	(22,119)
Increase in operating lease right-of-use asset	(75,755)
Increase in compensated absences	2,335
Increase in accounts payable and accrued expenses	7,618
Increase in operating lease liability	<u>78,222</u>
Net cash used in operating activities	<u>(1,659,874)</u>
Decrease in cash and cash equivalents	(1,659,874)
Cash and cash equivalents, beginning of year	<u>6,069,469</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,409,595</u></u>

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

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

Note 1 - Organization and Operations:

NOTCF's mission is to support cultural industries and culture bearers of the City of New Orleans through partnerships, grants, and programs to advance sustainable tourism.

The Hotel Occupancy Taxes have served as NOTCF'S primary source of revenue for the past three years. Understanding economic downturns and natural disasters have the potential to negatively impact our operations, NOTCF wanted to diversify its income sources. In 2023, NOTCF was approved for the 501(c)(3) nonprofit designation by the Internal Revenue Service. With this designation, NOTCF will have the ability to apply for governmental and private grants as well as seek tax deductible donations from members of the community. Diversifying our revenues will build stability, resilience and create growth opportunities for NOTCF and the community we serve.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of NOTCF have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Preparation

The financial statements are presented in accordance with generally accepted accounting principles for Nonprofit Organizations. NOTCF is required to report information regarding its financial position and activities according to two classifications of net assets; net assets without donor restriction and net assets with donor restriction.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, NOTCF considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023

Accounts Receivable

Accounts receivable is carried at their estimated collectible amounts. There was no allowance for doubtful accounts as of December 31, 2023 due to subsequent collections in full during fiscal year 2024.

Compensated Absences

Unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from NOTCF employment. NOTCF is not obligated to pay for unused sick leave if an employee terminates prior to retirement. NOTCF accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee.

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Income Taxes

NOTCF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the Louisiana Revenue and Taxation Code. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. According to NOTCF's 501(c)(3) status, NOTCF is not required to file an annual Federal informational return (IRS Form 990).

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023

Recent Accounting Pronouncement

During the year ended December 31, 2023, NOTCF adopted Accounting Standards Codification (“ASC”), Topic 842, *Leases*, for all material long-term operating leases. Under this new accounting pronouncement, NOTCF recognized a right-of-use asset and lease liability calculated based on the present value of the lease payments not yet paid, discounted using appropriate discount rates at the lease commencement date. The right-of-use asset is initially equal to the lease liability plus any initial direct costs and prepaid lease payments, less any lease incentives received. Under this approach, amortization of right-of-use asset is charged to rent expense, which is recorded on the straight-line basis over the term of each lease, unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis will be used.

The lease liability for an operating lease at any given time is calculated as the present value of the lease payments not yet paid, discounted by using the rate that was established on the lease commencement date.

The right-of-use asset, at any given time, is measured as the right-of-use asset balance at the beginning of the period, adjusted by the current-period right-of-use asset amortization, which is calculated as the current-period lease cost adjusted by the lease liability accretion to the then outstanding lease balance.

Changes in present value discount on operating leases are charged to the respective lease expense based upon the nature of the right-of-use asset that gave rise to the discount.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. NOTCF maintains a threshold level of \$5,000 or more for capitalizing property and equipment.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023

Property and equipment are depreciated using the straight-line method over three (3) to five (5) years estimated useful lives.

At December 31, 2023, the net property and equipment balance was -0-.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of functional expenses for the year ended December 31, 2023, and present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 3 - Cash and Cash Equivalents:

NOTCF had cash in demand deposit accounts totaling \$4,409,595 (book balances) at December 31, 2023.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. NOTCF maintains a noninterest-bearing and interest-bearing accounts at a local bank. At December 31, 2023, NOTCF deposits were fully secured from risk.

Custodial credit risk is the risk that, in event of a failure of financial institution or counterparty, NOTCF would not be able to recover its deposits, investments, or collateral securities that are in the possession of an outside party. NOTCF's deposits are not subject to custodial credit risk.

Note 4 - Liquidity and Availability:

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents, and receivables for the total amount of \$7,114,545.

As part of NOTCF's liquidity management plan, NOTCF invests cash in excess of daily requirements in short-term investments.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023

Note 5 - Source of Revenue of New Orleans Tourism and Cultural Fund:

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

Hotel Occupancy Privilege Tax - The Hotel Occupancy Privilege Tax (effective November 1, 1990) is levied upon persons for the privilege of occupying hotel rooms within Orleans Parish in the amount of fifty cents (\$0.50) per occupied hotel room per night for hotels containing from three (3) to two hundred and ninety-nine (299) rooms and one dollar (\$1.00) per occupied hotel room per night for hotels containing three hundred (300) or more rooms.

Every hotel operator subject to this tax shall make reports on the previous month's business on or before the twentieth day of the following month to the City of New Orleans.

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

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

For the year ended December 31, 2023, NOTCF collected \$5,082,175 (net of collection fees) from the Hotel Occupancy Privilege Tax.

Casino City Lease Agreement - According to the lease agreement among the City of New Orleans (the City), the Rivergate Development Corporation and the Jazz Casino Company (the Casino), the Casino is required to make an annual contribution of \$1,000,000 to the destination marketing program of the City for the joint benefit of the City and the Casino in order to promote the City and the Casino as destinations. The City has utilized NOTCF to conduct the destination marketing program on behalf of the City.

Note 6 - Related Party Transactions:

There were no related party transactions at December 31, 2023.

Note 7 - Operating Lease:

In August 2021, NOTCF entered into an agreement to occupy office space under a non-cancellable operating lease. The term of the lease is for a five (5) year period ending October 31, 2026. The lease calls for monthly installments of \$2,205, \$2,271, \$2,339, \$2,410 and \$2,482 in lease years 2022, 2023, 2024, 2025 and 2026, respectively.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023

Operating lease costs for this facility were \$29,859 for the year ended December 31, 2023 and are included in rent expense in the statement of functional expenses.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability as of December 31, 2023:

Fiscal Year Ending December 31,		
2024	\$	28,213
2025		29,060
2026		24,819
Total lease payments		82,092
Less present value discount		(3,870)
Total lease liability	\$	78,222

The remaining lease term (in months) and discount rates for the above-mentioned lease were as follows for the year ended December 31, 2023:

Remaining lease term	34
Discount rate	3.50%

Operating cash flows from the operating lease totaled \$27,392 for the year ended December 31, 2023.

Note 8 - Risk Management:

NOTCF is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets for which NOTCF carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Note 9 - Board of Directors Compensation:

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended December 31, 2023.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023

Note 10 - Contingency:

As provided by an agreement for services and a cooperative endeavor agreement between Regional Transit Authority (RTA) and NOTMC (NOTCF's predecessor), RTA would remit to NOTMC a portion of the general sales and use tax applied to hotels in Orleans Parish. According to the CEA, NOTMC would remit 50% of those receipts to the Convention Center.

By a letter dated February 12, 2019, the Regional Transit Authority (the "RTA") advised NOTCF that the RTA (1) believed the Agreement for Services and Cooperative Economic Endeavor by and between the Regional Transit Authority and the NOTMC was unconstitutional, (2) would cease any further payments to the Company pursuant to the Agreement and (3) requested a refund of prior payments. Shortly after NOTMC received the letter from the RTA, third and fourth quarter 2018 payments were issued to NOTMC by RTA. The amounts remitted reflected only the portion due to NOTMC.

In a letter dated August 9, 2019, the Convention Center requested payment from NOTCF of one-half of the RTA Hotel Tax payment received by NOTMC from the RTA with respect to the third and fourth quarter of 2018.

In April 2022, NOTCF advised the Convention Center and RTA, in writing, that NOTCF will continue to hold the RTA Payment in its operating account and will not spend the RTA Payment until the Convention Center and the RTA deliver joint written instructions to the NOTCF as to the disposition of the RTA Payment.

Note 11 - Subsequent Events:

NOTCF is required to evaluate events or transactions that may occur after the statement of net position date for potential recognition or disclosure in the financial statements. NOTCF performed such an evaluation through May 30, 2024, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of net position date requiring disclosure.

NEW ORLEANS TOURISM AND CULTURAL FUND
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE PRESIDENT & CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2023

President & Chief Executive Officer Name: Ms. Lisa Alexis

<u>Purpose</u>	<u>Amount</u>
Salary	\$-0-
Board approved incentive bonus	-0-
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	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See independent auditors’ report on supplementary information.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
SUPPORT AND REVENUES:				
Occupancy privilege tax (net of collection fees)	\$ 4,515,605	\$ 4,900,000	\$ 5,082,175	\$ 182,175
Casino City lease	1,000,000	1,000,000	1,000,000	-
NOTCF Gala	-	100,000	94,014	(5,986)
Investment earnings	<u>3,600</u>	<u>63,000</u>	<u>70,533</u>	<u>7,533</u>
Total revenues	<u>5,519,205</u>	<u>6,063,000</u>	<u>6,246,722</u>	<u>183,722</u>
EXPENSES:				
Film Commission	130,000	130,000	130,000	-
Music Commission	130,000	130,000	130,000	-
Mayor's Office of Tourism and Arts	130,000	130,000	130,000	-
Essence Fest	349,989	349,989	349,989	-
Superbowl Host Committee	250,000	250,000	250,000	-
Marketing expenses	1,000,000	295,000	260,842	34,158
NOTCF Honors Gala	-	380,000	382,300	(2,300)
Cultural economy support	5,602,599	5,300,000	4,945,830	354,170
Administrative	<u>560,138</u>	<u>495,000</u>	<u>476,587</u>	<u>18,413</u>
Total expenses	<u>8,152,726</u>	<u>7,459,989</u>	<u>7,055,548</u>	<u>404,441</u>
Net change in net assets	(2,633,521)	(1,396,989)	(808,826)	588,163
Net assets, beginning of year	<u>7,943,652</u>	<u>7,918,951</u>	<u>7,918,951</u>	<u>-</u>
Net assets, end of year	<u>\$ 5,310,131</u>	<u>\$ 6,521,962</u>	<u>\$ 7,110,125</u>	<u>\$ 588,163</u>

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 the
New Orleans Tourism and Cultural Fund
(A Component Unit of the City of New Orleans)
New Orleans, Louisiana

We have audited, 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, the financial statements of New Orleans Tourism and Cultural Fund (NOTCF) (a nonprofit organization), a component unit of the City of New Orleans, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2024.

Internal Control Over Financial Reporting

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

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.

This report is intended solely for the information and use of NOTCF's Board, management, the City of New Orleans and the Legislative Auditor for the State of Louisiana 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

New Orleans, Louisiana
May 30, 2024

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
SCHEDULE OF FINDINGS
For the Year Ended December 31, 2023

Section I – SUMMARY AUDITORS' RESULTS

- A. Type of report issued on the financial statements: **Unmodified.**
- B. Did the audit disclose any material weaknesses in internal control over financial reporting? **No.**
- C. Did the audit disclose any significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses? **None Reported.**
- D. Did the audit disclose any non-compliance which is material to the financial statements? **No.**
- E. Did the audit disclose any material weaknesses in internal control over major federal programs? **Not Applicable.**
- F. Did the audit disclose any significant deficiencies in internal control over major programs that are not considered to be material weaknesses? **Not Applicable.**
- G. Type of report issued on compliance for major programs: **Not Applicable.**
- H. Did the audit disclose any audit findings required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? **Not Applicable.**
- I. Was a management letter issued? **No.**
- J. Identification of Major Programs: **Not Applicable.**
- K. Dollar threshold used to distinguish between Type A and Type B programs: **Not Applicable.**
- L. Auditee qualified as a "low-risk" auditee: **Not Applicable.**

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
SCHEDULE OF FINDINGS, CONTINUED
For the Year Ended December 31, 2023

**Section II - FINDINGS RELATING TO THE FINANCIAL
STATEMENTS REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

No matters were reported.

**Section III - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS**

Not applicable.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2023

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

No matters were reported.

Section II - Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

No comments were reported.