

**GREATER NEW ORLEANS, INC.,
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater New Orleans, Inc. and its affiliate,
Greater New Orleans Development Foundation
New Orleans, Louisiana

Opinion

We have audited the accompanying consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation (both nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation, as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation, 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, 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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2021 and 2020 consolidating statements of financial position, the consolidating statements of activities, the consolidating statements of functional expenses on pages 18 – 23, and the schedule of compensation, benefit, and other payments to agency head on page 26 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2022 on our consideration of Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants 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 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 Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, internal control over financial reporting and compliance.

Metairie, Louisiana
June 28, 2022

Wegmann Bazet APC

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,406,586	\$ 3,029,230
Accounts receivable, net of allowance	1,691,745	1,053,940
Other current assets	69,702	20,187
Total current assets	<u>3,168,033</u>	<u>4,103,357</u>
Property and equipment, at cost less accumulated depreciation	38,006	46,036
Investments	1,191,058	85,558
Other noncurrent assets	4,662	3,261
Total assets	<u>\$ 4,401,759</u>	<u>\$ 4,238,212</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 65,803	\$ 49,133
Accrued payroll liabilities	408,189	339,204
Other current liabilities	141,850	292,718
Total current liabilities	<u>615,842</u>	<u>681,055</u>
NET ASSETS		
Net assets		
Without donor restrictions	3,361,435	3,115,077
With donor restrictions	424,482	442,080
Total net assets	<u>3,785,917</u>	<u>3,557,157</u>
Total liabilities and net assets	<u>\$ 4,401,759</u>	<u>\$ 4,238,212</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Investor contributions	\$ 2,664,598	\$ -	\$ 2,664,598
Sponsorship	159,005	-	159,005
Grants	1,183,615	1,489,080	2,672,695
Management fees	239,508	-	239,508
Investment income	60,291	-	60,291
Other income	160,489	-	160,489
Net assets released from restrictions	1,506,678	(1,506,678)	-
Total revenues	5,974,184	(17,598)	5,956,586
Expenses			
Program services			
Grants	1,819,872	-	1,819,872
Initiatives	49,032	-	49,032
Public	424,614	-	424,614
Business development	711,396	-	711,396
Communications	167,793	-	167,793
Supporting services			
General and administrative	2,555,119	-	2,555,119
Total expenses	5,727,826	-	5,727,826
Change in net assets	246,358	(17,598)	228,760
Net assets			
Beginning of year	3,115,077	442,080	3,557,157
End of year	\$ 3,361,435	\$ 424,482	\$ 3,785,917

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Investor contributions	\$ 2,524,886	\$ -	\$ 2,524,886
Sponsorship	167,500	-	167,500
Grants	790,156	1,438,676	2,228,832
Management fees	168,790	-	168,790
Investment income	7,066	-	7,066
Other income	268,293	-	268,293
Net assets released from restrictions	<u>1,374,822</u>	<u>(1,374,822)</u>	<u>-</u>
Total revenues	<u>5,301,513</u>	<u>63,854</u>	<u>5,365,367</u>
Expenses			
Program services			
Grants	1,266,088	-	1,266,088
Initiatives	235,781	-	235,781
Public	241,630	-	241,630
Business development	530,061	-	530,061
Communications	177,379	-	177,379
Supporting services			
General and administrative	<u>2,881,875</u>	<u>-</u>	<u>2,881,875</u>
Total expenses	<u>5,332,814</u>	<u>-</u>	<u>5,332,814</u>
Change in net assets	(31,301)	63,854	32,553
Net assets			
Beginning of year	<u>3,146,378</u>	<u>378,226</u>	<u>3,524,604</u>
End of year	<u>\$ 3,115,077</u>	<u>\$ 442,080</u>	<u>\$ 3,557,157</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program Services					General and Administrative	Total Expenses
	Grants	Initiatives	Public	Business Development	Communications		
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403,327	\$ 403,327
Bank service charge	-	-	-	-	-	828	828
Contracted staff expenses	17,116	-	-	-	-	-	17,116
Consultants	452,413	3,500	70,000	120,000	-	121,748	767,661
Development	149,135	-	5,000	5,750	-	12,160	172,045
Depreciation	-	-	-	-	-	14,169	14,169
Dues and subscriptions	71,742	131	594	16,848	-	27,225	116,540
Grants	46,500	-	-	-	-	10,000	56,500
Grant administration	538,390	-	-	-	-	(280,027)	258,363
Insurance	-	-	(6,042)	(33,673)	(3,708)	163,922	120,499
Indirect overhead	322,959	-	-	-	-	(322,959)	-
Marketing	103,832	-	25,000	1,730	-	126,656	257,218
Meetings and events	27,761	38,903	726	17,824	-	23,422	108,636
Merchant credit card fees	397	120	-	-	-	3,867	4,384
Payroll service fees	-	-	-	-	-	33,128	33,128
Payroll taxes	-	-	17,749	44,248	12,268	83,208	157,473
Postage and delivery	752	-	-	1,168	-	959	2,879
Printing and reproduction	5,513	4,561	67,754	463	-	8,234	86,525
Professional services	163	-	-	-	-	17,800	17,963
Rent expense	-	-	-	29,107	-	183,112	212,219
Repairs and maintenance	-	-	-	-	-	46,792	46,792
Salary and wages	-	-	236,667	472,359	159,233	1,557,316	2,425,575
Service awards	245	-	-	2,038	-	6,173	8,456
Storage	-	-	-	-	-	4,873	4,873
Supplies	536	597	-	565	-	13,607	15,305
Training and development	-	-	-	-	-	12,395	12,395
Technology	15,885	788	-	-	-	51,142	67,815
Telephone	648	-	-	5,099	-	22,644	28,391
Travel, meals and entertainment	5,385	432	7,166	27,870	-	104,283	145,136
Website development	60,500	-	-	-	-	23,073	83,573
401K contributions	-	-	-	-	-	82,042	82,042
Total expenses	\$ 1,819,872	\$ 49,032	\$ 424,614	\$ 711,396	\$ 167,793	\$ 2,555,119	\$ 5,727,826

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services					General and Administrative	Total Expenses
	Grants	Initiatives	Public	Business Development	Communications		
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 568,500	\$ 568,500
Bank service charge	-	-	-	-	-	1,449	1,449
Consultants	254,118	90,000	66,250	123,584	-	259,923	793,875
Development	31,046	15,918	3,683	5,158	-	8,838	64,643
Depreciation	-	-	-	-	-	26,626	26,626
Dues and subscriptions	35,662	-	736	6,934	-	47,056	90,388
Grants	111,200	-	-	-	-	-	111,200
Grant administration	481,452	-	-	-	-	(269,936)	211,516
Insurance	-	-	(2,689)	(14,925)	(4,184)	134,734	112,936
Indirect overhead	203,514	-	-	-	-	(203,514)	-
Marketing	93,890	-	-	31	-	177,101	271,022
Meetings and events	3,278	117,885	3,616	2,765	-	18,946	146,490
Merchant credit card fees	-	-	-	75	-	5,096	5,171
Payroll service fees	-	-	-	-	-	28,445	28,445
Payroll taxes	-	-	11,524	35,059	12,761	79,419	138,763
Postage and delivery	-	-	-	123	-	1,152	1,275
Printing and reproduction	527	2,425	150	201	-	2,891	6,194
Professional services	-	-	-	-	-	16,895	16,895
Public relations	9,350	-	-	-	-	-	9,350
Rent expense	-	-	-	35,597	-	179,595	215,192
Repairs and maintenance	-	-	-	-	-	4,811	4,811
Salary and wages	-	-	152,083	317,776	168,802	1,546,100	2,184,761
Service awards	3,498	8,719	-	454	-	1,378	14,049
Storage	-	-	-	-	-	4,133	4,133
Supplies	-	220	16	369	-	5,925	6,530
Training and development	-	-	-	349	-	-	349
Technology	6,703	75	-	199	-	34,157	41,134
Telephone	-	-	100	3,498	-	25,161	28,759
Travel, meals and entertainment	9,172	214	6,161	12,814	-	67,799	96,160
Website development	22,678	325	-	-	-	33,275	56,278
401K contributions	-	-	-	-	-	75,920	75,920
Total expenses	\$ 1,266,088	\$ 235,781	\$ 241,630	\$ 530,061	\$ 177,379	\$ 2,881,875	\$ 5,332,814

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 228,760	\$ 32,553
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	14,169	26,626
Provision for bad debts	361,327	385,500
Net unrealized gain on investments	(4,050)	(5,199)
(Increase) decrease in operating assets:		
Accounts receivables	(999,132)	272,549
Other current assets	(49,515)	18,193
Other noncurrent assets	(1,401)	8,789
Increase (decrease) in operating liabilities:		
Accounts payable and accrued payroll liabilities	85,655	129,134
Other current liabilities	(150,868)	14,082
Net cash (used) provided by operating activities	<u>(515,055)</u>	<u>882,227</u>
Cash flows from investing activities:		
Purchase of property and equipment	(6,139)	(13,811)
Purchase of investments	(1,037,374)	(77,000)
Net reinvestment of realized investment return	(64,076)	(3,359)
Net cash used by investing activities	<u>(1,107,589)</u>	<u>(94,170)</u>
Net (decrease) increase	(1,622,644)	788,057
Cash and cash equivalents at beginning of year	<u>3,029,230</u>	<u>2,241,173</u>
Cash and cash equivalents at end of year	<u>\$ 1,406,586</u>	<u>\$ 3,029,230</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

1) Nature of activities

Greater New Orleans, Inc. (GNO, Inc.) is a non-profit corporation formed in January 2004 to spearhead economic development for the ten-parish Greater New Orleans region, which accounts for about one-third of Louisiana's economy. In collaboration with government, business and industry, and civic leaders, GNO, Inc.'s professional economic development staff works to create jobs in Southeast Louisiana, market the parishes to companies seeking to expand or relocate, and retain and grow existing businesses.

GNO, Inc.'s affiliate, Greater New Orleans Development Foundation (the Foundation) was created to provide support to the charitable, scientific and educational programs initiated and implemented by GNO, Inc.

2) Summary of significant accounting policies

Significant accounting policies followed by GNO, Inc. and the Foundation are summarized below.

a) Financial statement presentation

GNO, Inc.'s and the Foundation's policy is to prepare its consolidated financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

b) Basis of consolidation

The consolidated financial statements include the accounts of Greater New Orleans, Inc. and its affiliate Greater New Orleans Development Foundation (collectively "the Organization"). The Board of Directors of the Foundation consists of nine members including the current Chairman of the Board of GNO, Inc., the immediate past Board Chairman of GNO, Inc., the President and CEO of GNO, Inc., three past Chairmen of the Board of Directors of GNO, Inc., and three additional directors, none of whom is an incumbent member of the Board of Directors of GNO, Inc. GNO, Inc. and the Foundation share common facilities and personnel. All material inter-organization transactions have been eliminated.

c) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

d) Accounts receivable

GNO, Inc. and the Foundation write off uncollectible accounts as they are identified. GNO, Inc.'s estimate for the allowance for doubtful accounts is based on a review of the current status of accounts receivable. Accounts receivable for GNO, Inc. is presented net of an allowance for doubtful accounts of \$436,687 and \$566,187 as of December 31, 2021 and 2020, respectively. No allowance for uncollectible accounts has been provided for the Foundation, as management has evaluated the accounts and believes they are all collectible.

e) Investments

Investments in marketable securities are valued at fair value in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains with donor restrictions are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized. Investments with a maturity of one year or less are classified as current. Money market funds and mutual funds are recorded at fair market value.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

2) Summary of significant accounting policies (continued)

e) Investments (continued)

Realized gains, including income amounted to \$56,241 and \$3,359 in 2021 and 2020, respectively. Net unrealized gains were \$4,050 and \$5,199 in 2021 and 2020, respectively.

f) 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful Lives</u>
Furniture and fixtures	5 to 10 years
Equipment	5 years
Leasehold improvements	10 years

h) Description of net assets classification

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – with donor restrictions and without donor restrictions based on the existence or absence of donor-imposed restrictions.

GNO, Inc. and the Foundation report gifts of cash and other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met, or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

i) Advertising

GNO, Inc. and the Foundation expense advertising as incurred. Advertising expense was \$257,218 and \$271,022 for the years ended December 31, 2021 and 2020, respectively.

j) Concentration of credit risk

Financial instruments that potentially subject GNO, Inc. and the Foundation to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits. GNO, Inc. and the Foundation have not experienced any losses in such accounts. GNO, Inc. and the Foundation have no policy requiring collateral or other security to support its deposits.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

2) Summary of significant accounting policies (continued)

J) Concentration of credit risk (continued)

GNO, Inc. and the Foundation at times extend credit to their investors. GNO, Inc. and the Foundation perform ongoing credit evaluations of its investors but generally do not require collateral to support accounts receivable.

k) Revenue recognition

GNO, Inc. and the Foundation recognize contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Investor contributions and sponsorships can be comprised of an exchange element based on the value provided, and a contribution element for the difference between the total amount paid and the exchange element. The exchange portions of investor contributions and sponsorships are recognized when the related performance obligations are met, and the contribution portion is recognized immediately.

A portion of GNO, Inc. and the Foundation's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GNO, Inc. and the Foundation has incurred expenditures in compliance with specific contract or grant provisions.

l) Donated services

Donated services are recognized at fair market value as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by individuals with those skills, and would otherwise be purchased.

m) Functional expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort.

n) New accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the consolidated statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. GNO, Inc. and the Foundation are currently assessing the impact of this pronouncement on its consolidated financial statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

2) Summary of significant accounting policies (continued)

n) New accounting pronouncements (continued)

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after December 15, 2021. GNO, Inc. and the Foundation are currently assessing the impact of this pronouncement on its consolidated financial statements.

o) Income taxes

GNO, Inc. is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

GNO, Inc. and the Foundation adopted the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. Management of GNO, Inc. and the Foundation believe there is no material uncertain tax position and, accordingly, it will not recognize any liability for unrecognized tax benefits. With few exceptions, GNO, Inc. and the Foundation are not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

3) Property and equipment

Property and equipment is summarized as follows:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 164,075	\$ 164,075
Equipment	107,764	101,624
Leasehold improvements	<u>35,627</u>	<u>35,627</u>
Total costs	307,466	301,326
Less: accumulated depreciation	<u>269,460</u>	<u>255,290</u>
Property and equipment	<u>\$ 38,006</u>	<u>\$ 46,036</u>

4) Employee benefit plan

GNO, Inc. maintains a 401(k)-retirement plan for the benefit of all eligible employees. Employer contributions to the plan are determined annually by the Board of Directors. For the years ended December 31, 2021 and 2020, GNO, Inc. contributed \$82,042 and \$75,920 to the plan, respectively.

In December 2019, GNO, Inc. established an eligible Section 457(b) deferred compensation plan “the Deferred Plan” for select management employees to permit those employees to defer receipt of current compensation in order to provide retirement benefits on behalf of such employees. GNO, Inc. may provide a matching contribution to the Deferred Plan and may make discretionary contributions to the Deferred Plan as determined by the Board of Directors. For the years ended December 31, 2021 and 2020, GNO, Inc. contributed \$19,500 each year.

The Deferred Plan is not intended to be a qualified plan under the provisions of the Internal Revenue Code. It is intended to be unfunded and, therefore, all compensation deferred under the Deferred Plan is held

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

4) Employee benefit plan (continued)

by GNO, Inc. and commingled with its general assets. The total amount deferred to date on the Plan is \$116,000.

5) Fair value measurement

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

Money market funds: Valued at net asset value, which is fair value.

Mutual funds: Valued at net asset value, which is fair market value, as the assets are market-to-market on a daily basis.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different measurement at the reporting date.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

5) Fair value measurement (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021 and 2020:

Description	<u>2021</u> Cost	<u>2021</u> Quoted Prices In Active Markets (Level 1)	<u>2020</u> Cost	<u>2020</u> Quoted Prices In Active Markets (Level 1)
Money market funds	\$ 4,394	\$ 5,219	\$ 4,394	\$ 4,394
Mutual funds	1,043,215	1,185,839	75,964	81,164
Totals	<u>\$ 1,047,609</u>	<u>\$ 1,191,058</u>	<u>\$ 80,358</u>	<u>\$ 85,558</u>

6) Operating lease

GNO, Inc. leases its headquarters. Monthly lease payments under this lease are \$15,010. This lease expires in August 2025. Future minimum rental payments under this lease is as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2022	\$ 180,122
2023	180,122
2024	180,122
2025	120,081
2026	-

7) Donated services

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2021, were travel expense of \$17,600, meetings and events expense of \$1,085, consulting expense of \$80,000, computer operations expense of \$10,896, payroll processing expense of \$16,279, website development expense of \$26,073, registration fee expense of \$2,750, repairs and maintenance expense of \$29,200, dues and subscription expense of \$375, and marketing expense of \$139,660.

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2020, were travel expense of \$3,740, meetings and events expense of \$18,912, meals and entertainment expense of \$570, consulting expense of \$108,270, computer operations expense of \$1,816, payroll processing expense of \$14,068, website development expense of \$35,775, computer equipment expense of \$3,343, registration fee expense of \$2,750, and marketing expense of \$186,851.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

7) Restrictions on net assets

GNO, Inc. and the Foundation received several donor restricted grants to help fund the various projects and programs. Net assets with donor restrictions as of December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Subject to expenditures for specified purpose:		
Greater New Orleans, Inc.:		
Capital One - Digital Pathways	\$ -	\$ 38,322
Louisiana Children's Museum	-	7,500
	-	45,822
Foundation:		
Coastal Vitality Project	103,711	143,453
Coronavirus Economic Response + Recovery	15,091	11,050
Crime Tech Task Force	74,331	74,331
ECMC Foundation	11,300	6,800
EDI Digital	21,137	-
FEMA	15,303	15,303
Resilience Lab	10,119	10,119
GNOF - La SAFE	6,053	6,053
GNOu - Industry Driven Workforce Partnerships	7,884	-
IT Anywhere	11,738	11,738
Kresge Foundation	5,315	5,315
Lupin Foundation	720	720
Maritime Workforce Study	2,752	2,752
Upskilling LI50+ Workforce	72,432	77,029
Technology Workforce Access Program	6,403	6,403
Walton - NOLA 300	25,000	25,000
Youthforce NOLA	35,193	192
	424,482	396,258
Total donor restricted assets	\$ 424,482	\$ 442,080

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

8) Net assets released from restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor as follows for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions		
Upskilling LI50+ Workforce	\$ 122,722	\$ 41,097
Crime Tech Task Force	-	669
Maritime Workforce Study	-	4,438
Digital Media Expansion	-	8,395
Coronavirus Response + Recovery	195,959	238,950
ECMC Foundation	85,500	104,200
Lupin Foundation	-	9,280
Youthforce NOLA	-	82,076
Coastal Vitality Project	264,742	287,574
Capital One - Increasing EDI in Digi	18,863	-
Expanding Opportunities and Building Capacity for Paid Internships	17,116	-
Capital One - Digital Pathways	38,322	61,678
Louisiana Children's Museum	7,500	7,500
	<u>750,724</u>	<u>845,856</u>
 Restricted-purpose spending-rate distributions and appropriations		
Regional STEM Network and Center	142,391	-
GNO Opportunity Zone Strategy and Promotion	71,890	5,279
Mechatronics Apprenticeship Program	88,078	151,889
Veteran Employment Transition	52,038	13,346
Preparing our Workforce for Energy Renewal Project	23,211	-
GNOu Demand-Driven Training/Degree Programs	175,830	358,451
GNO Pivot 2.0 Initiative	168,045	-
Value-Added Manufacturing Initiative	8,850	-
Regional Food Systems Partnership Program	25,621	-
	<u>755,954</u>	<u>528,966</u>
	<u>\$ 1,506,678</u>	<u>\$ 1,374,822</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

9) Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,406,586	\$ 3,029,230
Accounts receivable	<u>1,691,745</u>	<u>1,053,940</u>
Financial assets, at year end	3,098,331	4,083,170
Less those unavailable for general expenditure within one year, due to		
Restriction by donor for specified purpose	<u>(424,482)</u>	<u>(442,080)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 2,673,849</u></u>	<u><u>\$ 3,641,090</u></u>

10) Coronavirus (COVID-19)

The COVID-19 pandemic has impacted and could further impact the Organization’s operations and the operations of the Organization’s suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Organization’s business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Organization’s customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Organization cannot reasonably estimate the impact at this time.

11) Paycheck Protection Program

During the years ended December 31, 2021 and 2020, the Organization was able to participate in the Paycheck Protection Program (“PPP”). This program was designed to assist organizations with cash flow requirements necessary to maintain a healthy workforce during the COVID-19 pandemic. Under this program the Organization was able to borrow monies, up to certain amounts, to be used for payroll related costs. Loans under the PPP could be forgiven by the Federal Government if the Organization meets the forgiveness criteria outlined within the CARES Act. The Organization borrowed \$149,030, and \$190,700 under the terms and conditions of the PPP during the years ended December 31, 2021, and 2020, respectively.

In accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*, the Organization initially recorded the PPP loan as a refundable advance and subsequently recognized the funds as a conditional contribution. Accordingly, the Organization recognized grant income as it incurred qualifying expenses and determined that any barriers or right of return of the PPP loan no longer existed. The Organization recognized \$149,030, and \$190,700 for the of contributions and has included it in grant revenue on the consolidated statements of activities at December 31, 2021 and 2020, respectively.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

13) Subsequent events

Management evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2021

	Greater New Orleans, Inc.	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 232,738	\$ 1,173,848	\$ 1,406,586	\$ -	\$ 1,406,586
Accounts receivable, net of allowance	1,540,525	656,387	2,196,912	(505,167)	1,691,745
Other current assets	69,702	-	69,702	-	69,702
Total current assets	<u>1,842,965</u>	<u>1,830,235</u>	<u>3,673,200</u>	<u>(505,167)</u>	<u>3,168,033</u>
Property and equipment, at cost less accumulated depreciation	38,006	-	38,006	-	38,006
Investments	133,649	1,057,409	1,191,058	-	1,191,058
Other noncurrent assets	4,662	-	4,662	-	4,662
Total assets	<u>\$ 2,019,282</u>	<u>\$ 2,887,644</u>	<u>\$ 4,906,926</u>	<u>\$ (505,167)</u>	<u>\$ 4,401,759</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 73,376	\$ 497,594	\$ 570,970	\$ (505,167)	\$ 65,803
Accrued payroll liabilities	391,886	16,303	408,189	-	408,189
Other current liabilities	132,350	9,500	141,850	-	141,850
Total current liabilities	<u>597,612</u>	<u>523,397</u>	<u>1,121,009</u>	<u>(505,167)</u>	<u>615,842</u>
NET ASSETS					
Net assets					
Without donor restrictions	1,421,670	1,939,765	3,361,435	-	3,361,435
With donor restrictions	-	424,482	424,482	-	424,482
Total net assets	<u>1,421,670</u>	<u>2,364,247</u>	<u>3,785,917</u>	<u>-</u>	<u>3,785,917</u>
Total liabilities and net assets	<u>\$ 2,019,282</u>	<u>\$ 2,887,644</u>	<u>\$ 4,906,926</u>	<u>\$ (505,167)</u>	<u>\$ 4,401,759</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2020

	Greater New Orleans, Inc.	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 536,527	\$ 2,492,703	\$ 3,029,230	\$ -	\$ 3,029,230
Accounts receivable, net of allowance	1,216,928	242,929	1,459,857	(405,917)	1,053,940
Other current assets	20,187	-	20,187	-	20,187
Total current assets	<u>1,773,642</u>	<u>2,735,632</u>	<u>4,509,274</u>	<u>(405,917)</u>	<u>4,103,357</u>
Property and equipment, at cost less accumulated depreciation	46,036	-	46,036	-	46,036
Investments	85,558	-	85,558	-	85,558
Other noncurrent assets	3,261	-	3,261	-	3,261
Total assets	<u>\$ 1,908,497</u>	<u>\$ 2,735,632</u>	<u>\$ 4,644,129</u>	<u>\$ (405,917)</u>	<u>\$ 4,238,212</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 116,346	\$ 338,704	\$ 455,050	\$ (405,917)	\$ 49,133
Accrued payroll liabilities	322,901	16,303	339,204	-	339,204
Other current liabilities	145,290	147,428	292,718	-	292,718
Total current liabilities	<u>584,537</u>	<u>502,435</u>	<u>1,086,972</u>	<u>(405,917)</u>	<u>681,055</u>
NET ASSETS					
Net assets					
Without donor restrictions	1,278,138	1,836,939	3,115,077	-	3,115,077
With donor restrictions	45,822	396,258	442,080	-	442,080
Total net assets	<u>1,323,960</u>	<u>2,233,197</u>	<u>3,557,157</u>	<u>-</u>	<u>3,557,157</u>
Total liabilities and net assets	<u>\$ 1,908,497</u>	<u>\$ 2,735,632</u>	<u>\$ 4,644,129</u>	<u>\$ (405,917)</u>	<u>\$ 4,238,212</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	GNO, Inc. Without Donor Restrictions	GNO, Inc. With Donor Restrictions	Foundation Without Donor Restrictions	Foundation With Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues							
Investor contributions	\$ 2,047,682	\$ -	\$ 616,916	\$ -	\$ 2,664,598	\$ -	\$ 2,664,598
Sponsorship	159,005	-	-	-	159,005	-	159,005
Grants	1,137,684	-	45,931	1,489,080	2,672,695	-	2,672,695
Management fees	1,366,035	-	214,415	-	1,580,450	(1,340,942)	239,508
Interest income	-	-	60,291	-	60,291	-	60,291
Other income	160,489	-	-	-	160,489	-	160,489
Net assets released from restrictions	45,822	(45,822)	1,460,856	(1,460,856)	-	-	-
Total revenues	4,916,717	(45,822)	2,398,409	28,224	7,297,528	(1,340,942)	5,956,586
Expenses							
Program services							
Grants	845,139	-	2,085,351	-	2,930,490	(1,110,618)	1,819,872
Initiatives	48,747	-	285	-	49,032	-	49,032
Public	424,614	-	-	-	424,614	-	424,614
Business development	711,396	-	-	-	711,396	-	711,396
Communications	167,793	-	-	-	167,793	-	167,793
Supporting services							
General and administrative	2,575,496	-	209,947	-	2,785,443	(230,324)	2,555,119
Total expenses	4,773,185	-	2,295,583	-	7,068,768	(1,340,942)	5,727,826
Change in net assets	143,532	(45,822)	102,826	28,224	228,760	-	228,760
Net assets							
Beginning of year	1,278,138	45,822	1,836,939	396,258	3,557,157	-	3,557,157
End of year	\$ 1,421,670	\$ -	\$ 1,939,765	\$ 424,482	\$ 3,785,917	\$ -	\$ 3,785,917

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	GNO, Inc. Without Donor Restrictions	GNO, Inc. With Donor Restrictions	Foundation Without Donor Restrictions	Foundation With Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues							
Investor contributions	\$ 2,228,675	\$ -	\$ 296,211	\$ -	\$ 2,524,886	\$ -	\$ 2,524,886
Sponsorship	167,500	-	-	-	167,500	-	167,500
Grants	498,040	65,000	292,116	1,373,676	2,228,832	-	2,228,832
Management fees	1,017,981	-	153,057	-	1,171,038	(1,002,248)	168,790
Interest income	-	-	7,066	-	7,066	-	7,066
Other income	268,293	-	-	-	268,293	-	268,293
Net assets released from restrictions	69,178	(69,178)	1,305,644	(1,305,644)	-	-	-
Total revenues	4,249,667	(4,178)	2,054,094	68,032	6,367,615	(1,002,248)	5,365,367
Expenses							
Program services							
Grants	588,861	-	1,457,797	-	2,046,658	(780,570)	1,266,088
Initiatives	230,491	-	5,290	-	235,781	-	235,781
Public	241,630	-	-	-	241,630	-	241,630
Business development	530,061	-	-	-	530,061	-	530,061
Communications	177,379	-	-	-	177,379	-	177,379
Supporting services							
General and administrative	2,740,670	-	362,883	-	3,103,553	(221,678)	2,881,875
Total expenses	4,509,092	-	1,825,970	-	6,335,062	(1,002,248)	5,332,814
Change in net assets	(259,425)	(4,178)	228,124	68,032	32,553	-	32,553
Net assets							
Beginning of year	1,537,563	50,000	1,608,815	328,226	3,524,604	-	3,524,604
End of year	<u>\$ 1,278,138</u>	<u>\$ 45,822</u>	<u>\$ 1,836,939</u>	<u>\$ 396,258</u>	<u>\$ 3,557,157</u>	<u>\$ -</u>	<u>\$ 3,557,157</u>

GREATER NEW ORLEANS, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	GNO, Inc.						Greater New Orleans Development Foundation			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services						Program Services					
	Grants	Initiatives	Public	Business Development	Communications	General & Administrative	Grants	Initiatives	General & Administrative			
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,327	\$ -	\$ -	\$ 42,000	\$ 403,327	\$ -	\$ 403,327
Bank service charge	-	-	-	-	-	775	-	-	53	828	-	828
Contracted staff expenses	-	-	-	-	-	-	17,116	-	-	17,116	-	17,116
Consultants	310,913	3,500	70,000	120,000	-	121,748	141,500	-	-	767,661	-	767,661
Development	69,235	-	5,000	5,750	-	5,910	79,900	-	6,250	172,045	-	172,045
Depreciation	-	-	-	-	-	14,169	-	-	-	14,169	-	14,169
Dues and subscriptions	56,533	131	594	16,848	-	22,041	15,209	-	5,184	116,540	-	116,540
Grants	-	-	-	-	-	-	46,500	-	10,000	56,500	-	56,500
Grant administration	258,363	-	-	-	-	-	280,027	-	(280,027)	258,363	-	258,363
Insurance	-	-	(6,042)	(33,673)	(3,708)	139,543	-	-	24,379	120,499	-	120,499
Indirect overhead	-	-	-	-	-	-	322,959	-	(322,959)	-	-	-
Marketing	97,832	-	25,000	1,730	-	126,656	6,000	-	-	257,218	-	257,218
Meetings and events	10,395	38,903	726	17,824	-	23,422	17,366	-	-	108,636	-	108,636
Management fee	30,482	-	-	-	-	-	1,080,136	-	230,324	1,340,942	(1,340,942)	-
Merchant credit card fees	-	22	-	-	-	3,577	397	98	290	4,384	-	4,384
Payroll service fees	-	-	-	-	-	26,749	-	-	6,379	33,128	-	33,128
Payroll taxes	-	-	17,749	44,248	12,268	53,276	-	-	29,932	157,473	-	157,473
Postage and delivery	752	-	-	1,168	-	959	-	-	-	2,879	-	2,879
Printing and reproduction	2,733	4,561	67,754	463	-	7,898	2,780	-	336	86,525	-	86,525
Professional services	-	-	-	-	-	14,900	163	-	2,900	17,963	-	17,963
Rent expense	-	-	-	29,107	-	183,112	-	-	-	212,219	-	212,219
Repairs and maintenance	-	-	-	-	-	46,792	-	-	-	46,792	-	46,792
Salary and wages	-	-	236,667	472,359	159,233	1,138,223	-	-	419,093	2,425,575	-	2,425,575
Service awards	87	-	-	2,038	-	6,173	158	-	-	8,456	-	8,456
Storage	-	-	-	-	-	4,873	-	-	-	4,873	-	4,873
Supplies	314	597	-	565	-	13,583	222	-	24	15,305	-	15,305
Training and development	-	-	-	-	-	2,395	-	-	10,000	12,395	-	12,395
Technology	-	788	-	-	-	51,142	15,885	-	-	67,815	-	67,815
Telephone	-	-	-	5,099	-	20,087	648	-	2,557	28,391	-	28,391
Travel, meals and entertainment	-	245	7,166	27,870	-	90,238	5,385	187	14,045	145,136	-	145,136
Website development	7,500	-	-	-	-	23,073	53,000	-	-	83,573	-	83,573
401K contributions	-	-	-	-	-	72,855	-	-	9,187	82,042	-	82,042
Total expenses	\$ 845,139	\$ 48,747	\$ 424,614	\$ 711,396	\$ 167,793	\$ 2,575,496	\$ 2,085,351	\$ 285	\$ 209,947	\$ 7,068,768	\$ (1,340,942)	\$ 5,727,826

GREATER NEW ORLEANS, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	GNO, Inc.						Greater New Orleans Development Foundation			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services						Program Services					
	Grants	Initiatives	Public	Business Development	Communications	General & Administrative	Grants	Initiatives	General & Administrative			
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,500	\$ -	\$ -	\$ 7,000	\$ 568,500	\$ -	\$ 568,500
Bank service charge	-	-	-	-	-	1,410	-	-	39	1,449	-	1,449
Consultants	152,118	90,000	66,250	123,584	-	224,923	102,000	-	35,000	793,875	-	793,875
Development	30,546	15,918	3,683	5,158	-	8,838	500	-	-	64,643	-	64,643
Depreciation	-	-	-	-	-	26,626	-	-	-	26,626	-	26,626
Dues and subscriptions	31,244	-	736	6,934	-	41,401	4,418	-	5,655	90,388	-	90,388
Grants	-	-	-	-	-	-	111,200	-	-	111,200	-	111,200
Grant administration	211,516	-	-	-	-	-	269,936	-	(269,936)	211,516	-	211,516
Insurance	-	-	(2,689)	(14,925)	(4,184)	103,633	-	-	31,101	112,936	-	112,936
Indirect overhead	-	-	-	-	-	-	203,514	-	(203,514)	-	-	-
Marketing	93,669	-	-	31	-	177,101	221	-	-	271,022	-	271,022
Meetings and events	1,554	112,595	3,616	2,765	-	18,141	1,724	5,290	805	146,490	-	146,490
Management fee	37,267	-	-	-	-	-	743,303	-	221,678	1,002,248	(1,002,248)	-
Merchant credit card fees	-	-	-	75	-	5,088	-	-	8	5,171	-	5,171
Payroll service fees	-	-	-	-	-	22,135	-	-	6,310	28,445	-	28,445
Payroll taxes	-	-	11,524	35,059	12,761	49,676	-	-	29,743	138,763	-	138,763
Pest control	-	-	-	-	-	-	-	-	-	-	-	-
Postage and delivery	-	-	-	123	-	1,152	-	-	-	1,275	-	1,275
Printing and reproduction	527	2,425	150	201	-	2,891	-	-	-	6,194	-	6,194
Production	-	-	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	13,995	-	-	2,900	16,895	-	16,895
Public relations	9,350	-	-	-	-	-	-	-	-	9,350	-	9,350
Rent expense	-	-	-	35,597	-	149,271	-	-	30,324	215,192	-	215,192
Repairs and maintenance	-	-	-	-	-	4,811	-	-	-	4,811	-	4,811
Salary and wages	-	-	152,083	317,776	168,802	1,112,354	-	-	433,746	2,184,761	-	2,184,761
Service awards	3,498	8,719	-	454	-	1,309	-	-	69	14,049	-	14,049
Storage	-	-	-	-	-	4,133	-	-	-	4,133	-	4,133
Supplies	-	220	16	369	-	5,876	-	-	49	6,530	-	6,530
Training and development	-	-	-	349	-	-	-	-	-	349	-	349
Technology	-	75	-	199	-	34,157	6,703	-	-	41,134	-	41,134
Telephone	-	-	100	3,498	-	17,153	-	-	8,008	28,759	-	28,759
Travel, meals and entertainment	2,699	214	6,161	12,814	-	55,542	6,473	-	12,257	96,160	-	96,160
Website development	14,873	325	-	-	-	33,275	7,805	-	-	56,278	-	56,278
401K contributions	-	-	-	-	-	64,279	-	-	11,641	75,920	-	75,920
Total expenses	\$ 588,861	\$ 230,491	\$ 241,630	\$ 530,061	\$ 177,379	\$ 2,740,670	\$ 1,457,797	\$ 5,290	\$ 362,883	\$ 6,335,062	\$ (1,002,248)	\$ 5,332,814

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
Greater New Orleans, Inc. and its affiliate,
Greater New Orleans Development Foundation
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 consolidated financial statements of Greater New Orleans, Inc., and its affiliate, Greater New Orleans Development Foundation, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, 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 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Greater New Orleans, Inc. and its affiliate's, Greater New Orleans Development Foundation, internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate's, Greater New Orleans Development Foundation, internal control. Accordingly, we do not express an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate's, Greater New Orleans Development Foundation, 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 Greater New Orleans, Inc. and its affiliate's, Greater New Orleans Development Foundation, 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 financial statements. 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.

Metairie, Louisiana
June 28, 2022

Wegmann Bazet APC

GREATER NEW ORLEANS, INC. AND AFFILIATE
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2021

SUMMARY OF COMPENSATION

Michael Hecht
President & CEO

*None of the agency head's compensation was derived from state and/or local assistance.

GREATER NEW ORLEANS, INC.
AND AFFILIATE

STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Greater New Orleans, Inc.
and Affiliate
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year period January 1, 2021 through December 31, 2021. Greater New Orleans, Inc. and Affiliate (Entity) management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether 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.
 - 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/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).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics¹**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results - We performed the procedures noted above and noted no exceptions. The entity is a non-profit and accordingly, item i) above is not applicable. The Entity does not hold debt, and accordingly, item j) above is not applicable.

Board or Finance Committee²

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds³, and semi-annual budget- to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to*

¹ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

² These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

³ Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

*public funds*⁴ if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Procedure Results - We performed the procedures noted above and noted no exceptions. The Entity is not a governmental entity, accordingly, item c) above is not applicable.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁵ (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 each selected 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 or electronically logged);
 - 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); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results - We performed the procedures noted above and noted no exceptions.

Collections (excluding electronic funds transfers)⁶

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Procedure Results - The entity does not receive cash/checks or money orders. Accordingly, this procedure is not applicable.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

⁴ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁵ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁶ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Procedure Results - The Entity does not collect cash or checks; all funds are transferred electronically to the bank account. Procedures a) through d) are not applicable.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Procedure Results - We performed the procedure noted above and noted no exceptions.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Procedure Results - The Entity does not collect cash or checks; all funds are transferred electronically to the bank account. Procedures a) through d) are not applicable. We performed the procedures noted above in item e) and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Procedure Results - We performed the procedure noted above and noted no exceptions.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Procedure Results - We performed the procedures noted above and noted no exceptions.

- b) At least two employees are involved in processing and approving payments to vendors.

Procedure Results - We performed the procedures noted above and noted no exceptions.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Procedure Results - We performed the procedures noted above and noted no exceptions.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Procedure Results - We performed the procedures above and noted no exceptions.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.

Procedure Results - We performed the procedures noted above and noted no exceptions.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #7, as applicable.

Procedure Results - We performed the procedures noted above and noted no exceptions.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards⁷. Obtain management's representation that the listing is complete.

Procedure Results - We performed the procedure above and noted no exception.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), 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) Observe that finance charges and late fees were not assessed on the selected statements.

Procedure Results - We performed the procedures noted above and noted no exceptions.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)⁸. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results - We performed the procedures noted above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements⁹ (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

⁷ Including cards used by school staff for either school operations or student activity fund operations.

⁸ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

⁹ Non-travel reimbursements are not required to be tested under this category.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results - The Entity did not have travel expenditures. Accordingly, this section is not applicable.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁰ (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results - The Entity is a non-profit, accordingly item a) is not applicable. The Entity had not amendments to contracts during the testing period, accordingly, item c) is not applicable. We performed the remaining procedures noted above and noted no exceptions.

Payroll and Personnel

- 16. Obtain a listing of employees and officials¹¹ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

¹⁰ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹¹ "Officials" would include those elected, as well as board members who are appointed.

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Procedure Results - We performed the procedures noted above and noted no exceptions.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials¹² documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Procedure Results - The Entity does not pay vacation, sick leave and other fringe benefits from public funds. We performed all other applicable procedures and noted no exceptions.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Procedure Results - No employees were terminated during the testing period. Accordingly, this item is not applicable.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedure Results - We performed the procedures noted above and noted no exceptions.

¹² "Officials" would include those elected, as well as board members who are appointed.

*Ethics*¹³

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

Procedure Results - This section is not applicable to the Entity.

*Debt Service*¹⁴

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Procedure Results - There were no debt instruments issued during the fiscal period. Accordingly, this section is not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results - The Entity does not carry debt, accordingly, this section is not applicable.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Procedure Results - The Entity did not have misappropriations of public funds or assets during the fiscal period. Accordingly, this section is not applicable.

¹³ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

¹⁴ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

24. Observe the entity has posted, on its premises¹⁵ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁶

Procedure Results - The Entity did not experience any of the instances listed above. Accordingly, this section is not applicable.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a) Obtain and inspect the Entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the Entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the Entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Procedure Results - We performed the procedures noted above and noted no exceptions.

Sexual Harassment¹⁷

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Procedure Results - We performed the procedures noted above and noted no exceptions.

27. Observe the Entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Entity's premises if the entity does not have a website).

Procedure Results - We performed the procedures noted above and noted no exceptions.

¹⁵ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁶ This notice is available for download or print at www.la.gov/hotline.

¹⁷ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

28. Obtain the Entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Procedure Results - This section is not applicable to this Entity.

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C 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 LLA as a public document.

Metairie, Louisiana
June 28, 2022

Wegmann Bazet APC