NEW ORLEANS & COMPANY

Audits of Financial Statements

December 31, 2021 and 2020

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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Independent Auditor's Report

To the Board of Directors
New Orleans & Company

Opinion

We have audited the financial statements of New Orleans & Company (the Company), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 (GAAS) 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 the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS 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 the Company'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 the Company'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.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022 on our consideration of the Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Metairie, LA
June 14, 2022

NEW ORLEANS & COMPANY
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 16,434,620**	$ 10,147,119
Restricted Cash and Cash Equivalents	**30,389,508**	-
Accounts Receivable	**696,388**	2,624,088
Other Receivable, State of Louisiana	**1,785,632**	364,087
Other Receivable, Tourism Support Assessment	**1,725,429**	601,124
Inventory	**31,313**	34,699
Prepaid Expenses	**553,283**	265,654
Total Current Assets	**51,616,173**	14,036,771
Investments		
Certificate of Deposit - Restricted	**6,045,169**	6,000,000
Marketable Securities at Fair Value	**23,013,439**	20,284,291
Total Investments	**29,058,608**	26,284,291
Property, Equipment, and Leasehold Improvements		
Land	**3,373,130**	3,373,130
Building and Improvements	**20,133,792**	20,631,498
Furniture and Fixtures	**63,275**	822,605
Equipment	**391,811**	1,033,317
Leasehold Improvements	**-**	459,042
Software	**-**	179,480
Total Property, Equipment, and Leasehold Improvements	**23,962,008**	26,499,072
Less: Accumulated Depreciation	**(4,981,167)**	(7,159,516)
Property, Equipment, and Leasehold Improvements, Net	**18,980,841**	19,339,556
Other Assets		
Intangible Asset - Internet Domain	**1,200,000**	1,200,000
Total Assets	**$ 100,855,622**	$ 60,860,618

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

NEW ORLEANS & COMPANY
Statements of Financial Position (Continued)
December 31, 2021 and 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 3,111,066	$ 133,321
Deferred Revenue	30,527,658	506,896
Promise to Give	341,453	125,000
Note Payable Payroll Protection Program	98,211	-
Other Accrued Liabilities	565,991	2,327,540
Total Current Liabilities	34,644,379	3,092,757
Long-Term Liabilities		
Promise to Give	708,727	1,050,180
Long-Term Debt, Net of Debt Issuance Cost of $12,270 at 2021 and $14,750 at 2020	7,031,766	6,504,163
Total Long-Term Liabilities	7,740,493	7,554,343
Total Liabilities	42,384,872	10,647,100
Net Assets		
Without Donor Restrictions		
Designated by the Board	8,771,740	8,764,972
Undesignated	49,699,010	41,448,546
Total Net Assets	58,470,750	50,213,518
Total Liabilities and Net Assets	$ 100,855,622	$ 60,860,618

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

NEW ORLEANS & COMPANY
Statements of Activities
For the Years Ended December 31, 2021 and 2020

	2021	2020
Changes in Net Assets Without Donor Restrictions		
Revenue and Support		
Appropriations from Government Agencies	**$ 6,466,700**	$ 3,878,479
Tourism Support Assessment Revenue	**11,567,567**	7,904,318
Membership Dues	**1,202,329**	384,256
Staffing Services Reimbursement	**150,864**	86,232
Louisiana Office of Tourism Support	**-**	118,596
Investment Return, Net	**2,790,557**	2,155,093
Disaster Relief Funding	**9,809,967**	382,953
Other Revenue	**1,671,932**	151,225
Industry Show Cost-Share Reimbursement	**34,500**	7,350
Total Revenue and Support Without Donor Restrictions	**33,694,416**	15,068,502
Expenses		
Program Services Expense	**21,465,967**	11,820,970
Supporting Services Expense	**3,971,217**	4,434,112
Total Expenses	**25,437,184**	16,255,082
Change in Net Assets Without Donor Restrictions	**8,257,232**	(1,186,580)
Change in Net Assets	**8,257,232**	(1,186,580)
Net Assets, Beginning of Year	**50,213,518**	51,400,098
Net Assets, End of Year	**$ 58,470,750**	$ 50,213,518

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

NEW ORLEANS & COMPANY
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services			Supporting Services	
	Support Initiative Programs	Other Programs	Total Programs	General and Administrative	Total Expenses
Advertising	$ -	$ 8,097,991	$ 8,097,991	$ -	$ 8,097,991
Salaries	-	5,012,782	5,012,782	1,299,890	6,312,672
Product Development and Sponsorships	2,404,398	-	2,404,398	-	2,404,398
External Commitments	2,325,087	-	2,325,087	-	2,325,087
Employee Benefits	-	1,688,681	1,688,681	434,943	2,123,624
Operational	-	-	-	1,278,141	1,278,141
Depreciation	-	-	-	506,817	506,817
Payroll Taxes	-	334,555	334,555	118,106	452,661
Sales, Travel, and Promotion	-	424,438	424,438	-	424,438
Convention and Meeting Commitments	-	388,436	388,436	-	388,436
Public Relations and Local Advocacy	-	316,225	316,225	-	316,225
Insurance	-	-	-	169,997	169,997
Research	-	138,433	138,433	-	138,433
Client Service Initiatives	-	135,526	135,526	-	135,526
Governmental Relations	-	-	-	102,930	102,930
International Representation	-	101,282	101,282	-	101,282
Printing Collateral	-	97,385	97,385	-	97,385
Postage	-	-	-	60,393	60,393
Photos and Videos	-	748	748	-	748
Total	$ 4,729,485	$ 16,736,482	$ 21,465,967	$ 3,971,217	$ 25,437,184

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

NEW ORLEANS & COMPANY
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services			Supporting Services	
	Support Initiative Programs	Other Programs	Total Programs	General and Administrative	Total Expenses
Salaries	$ -	$ 5,332,232	$ 5,332,232	$ 1,745,991	$ 7,078,223
Advertising	-	3,496,126	3,496,126	-	3,496,126
Operational	-	-	-	1,394,735	1,394,735
Employee Benefits	-	798,558	798,558	395,517	1,194,075
Depreciation	-	-	-	543,700	543,700
Payroll Taxes	-	367,290	367,290	102,840	470,130
Sales, Travel, and Promotion	-	465,743	465,743	-	465,743
Public Relations and Local Advocacy	-	345,493	345,493	-	345,493
Research	-	327,928	327,928	-	327,928
External Commitments	275,000	-	275,000	-	275,000
Insurance	-	-	-	162,579	162,579
Product Development and Sponsorships	158,611	-	158,611	-	158,611
Client Service Initiatives	-	148,888	148,888	-	148,888
Governmental Relations	-	-	-	88,750	88,750
Photos and Videos	-	67,141	67,141	-	67,141
International Representation	-	48,282	48,282	-	48,282
Postage	-	45,634	45,634	-	45,634
Printing Collateral	-	8,497	8,497	-	8,497
Convention and Meeting Commitments	-	(64,453)	(64,453)	-	(64,453)
Total	$ 433,611	$ 11,387,359	$ 11,820,970	$ 4,434,112	$ 16,255,082

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

NEW ORLEANS & COMPANY
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	**$ 8,257,232**	$ (1,186,580)
Adjustments to Reconcile Changes in Net Assets		
to Net Cash Provided by (Used in) Operating Activities		
Depreciation	**506,817**	543,700
Amortization of Debt Issuance Cost	**2,480**	2,480
Loss on Disposal of Equipment	**485,301**	-
PPP Loan Forgiveness	**(1,411,448)**	-
Unrealized Gain on Investment Securities	**(2,285,881)**	(1,835,107)
(Increase) Decrease in Assets		
Accounts and Other Receivable	**(618,150)**	4,843,360
Inventory	**3,386**	(10,589)
Prepaid Expenses	**(287,629)**	552,469
Increase (Decrease) in Liabilities		
Accounts Payable	**2,977,745**	(2,235,226)
Deferred Revenue	**30,020,762**	474,684
Promise to Give	**(125,000)**	(208,125)
Other Accrued Liabilities	**(1,761,549)**	(3,398,590)
Net Cash Provided by (Used in) Operating Activities	**35,764,066**	(2,457,524)
Cash Flows from Investing Activities		
Proceeds from Sales of Investment Securities	**6,007,408**	6,639,121
Purchases of Investment Securities	**(6,450,675)**	(6,591,313)
Purchase of Certificate of Deposit	**(45,169)**	(6,000,000)
Capitalization and Acquisition of Property	**(633,403)**	(2,883,639)
Net Cash Used in Investing Activities	**(1,121,839)**	(8,835,831)
Cash Flows from Financing Activities		
Net Proceeds from Long-Term Debt	**2,034,782**	3,318,627
Net Cash Provided by Financing Activities	**2,034,782**	3,318,627
Net Increase (Decrease) in Cash and Cash Equivalents, and Restricted Cash	**36,677,009**	(7,974,728)
Cash and Cash Equivalents, and Restricted Cash Beginning of Year	**10,147,119**	18,121,847
Cash and Cash Equivalents, and Restricted Cash End of Year	**$ 46,824,128**	$ 10,147,119
Cash Paid for Interest	**$ 164,594**	$ 146,656

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

Note 1. Nature of Activities

History and Organization

New Orleans & Company is a private, non-profit 501(c)(6) organization dedicated to promoting the Greater New Orleans area as a destination for trade shows, conventions, tour groups and individual travelers. During 1999, New Orleans & Company organized the Welcome Center Building, LLC, to purchase and manage the property at the location of its operating center. The center opened and began operating in June 2003. Since New Orleans & Company is the sole member of the Welcome Center Building, LLC, the entity is disregarded from its owner for income tax purposes. On December 31, 2020, the Welcome Center Building was dissolved, and all assets and liabilities were transferred to New Orleans & Company.

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

Support initiative programs consist primarily of external commitment payments for Risk Mitigation for British Airways and French Quarter Management District. See Note 9 for further details.

Other program expenses are inclusive of Convention and Leisure Sales and Services, Marketing, Communications, and Public Relations and External Affairs. All programs exist to drive economic growth and support, sustain, evolve, and promote the unique culture of New Orleans for the benefit of our members, visitors, and residents.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Company prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic, *Financial Statements of Not-for-Profit Organizations.*

Cash and Cash Equivalents

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

Restricted Accounts

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	December 31,	
	2021	2020
Cash and Cash Equivalents	**$ 16,434,620**	$ 10,147,119
Restricted Cash and Cash Equivalents	**30,389,508**	-
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	**$ 46,824,128**	$ 10,147,119

Restricted cash and cash equivalents consist of balances that are to be specifically used under the American Rescue Plan Act (ARPA) funding that was received and included in deferred revenue as of December 31, 2021 and 2020.

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. As of December 31, 2021 and 2020, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Inventory

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

Investments

The Company records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Note 2. Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Leasehold Improvements

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

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

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives using the straight-line method. Depreciation expense is $506,817 and $543,700 for the years ended December 31, 2021 and 2020, respectively. The estimated useful lives used in computing depreciation are as follows:

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

Valuation of Long-Lived Assets

The Company reviews the carrying value of long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The Company recognized no impairment during the years ended December 31, 2021 or 2020.

Deferred Revenue

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

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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 restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves.

Note 2. Summary of Significant Accounting Policies (Continued)

Net Assets (Continued)

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled or removed by actions of the Company pursuant to those stipulations. 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. As restrictions are met or until released in accordance with the Company's spending policy, assets are reclassified to net assets without donor restrictions.

Revenues and Revenue Recognition

Member Dues

Membership dues from active members, which are generally nonrefundable, are recorded as revenues monthly over the membership period for which they are collected, which is generally one calendar year. The performance obligations consist of being listed on the New Orleans & Company website, being listed in a travel brochure, and being invited to membership events. These performance obligations are fully performed within a membership period. Dues paid in advance are deferred to the membership period to which they relate. During the year ended December 31, 2020 membership dues were suspended as of April 1, 2020 and any prepaid membership dues were given credit towards the 2021 membership year.

Appropriations from Government Agencies and Tourism Support Assessment Revenue

The Company receives appropriations from the State of Louisiana as well as a Tourism Support Assessment directly from hotels in the City of New Orleans. Management has made the assessment that under ASC 606 revenue is to be recognized at the point in time in which the Company has been made aware of the amounts to be received under these agreements.

Contributions

The Company reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as revenue and support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue and support with donor restrictions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Note 2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services 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 department by head count. Expenses that are allocated include insurance and all operational expenses.

Vacation and Sick Pay

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

Non-Direct Response Advertising

The Company expenses advertising costs as incurred. Advertising expenses charged to operations totaled $8,097,991 and $3,496,126 in 2021 and 2020, respectively.

Uncertain Tax Positions

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

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

Use of Estimates

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

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

Note 3. Concentration of Credit Risk

The Company maintains cash in four commercial banks. The total amount by which cash on deposit in those banks exceeds the federally insured limits is $51,710,760 as of December 31, 2021. The Company has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Note 4. Investments

The fair market value of investments is as follows at December 31, 2021 and 2020:

	2021	2020
Common Stocks	**$ 2,358,499**	$ -
Private Equity/Hedge Funds	**239,579**	69,417
Mutual Funds	**18,012,256**	17,385,888
Exchange Traded Funds	**2,403,105**	2,828,986
Total Investments	**$ 23,013,439**	$ 20,284,291

Note 5. Intangible Asset - Internet Domain

On May 2, 2014, the Company purchased ownership of, and all rights related to, the domain names, the websites, and related rights of NewOrleans.com for a purchase price of $1,200,000. This purchase was capitalized as an intangible asset not subject to amortization due to the indefinite life of the asset. On an annual basis, the Company will test the asset for impairment. There has been no impairment loss recorded as of December 31, 2021 and 2020.

Note 6. Debt

In June 2020, the Company entered into a debt restructuring agreement with their bank in order to restructure their mortgage notes payable. The Company restructured their note payable into two notes payable. The first note has a principal balance of up to $6,000,000 with advances under the loan being made during the first six month period ending on December 30, 2020. This loan is secured by a $6,000,000 certificate of deposit and the interest rate is equal to the certificate of deposit rate plus 1.5%. Interest only payments are required throughout the life of the loan with outstanding principal plus any accrued unpaid interest due at June 30, 2025. The second note has a principal balance of up to $2,800,000 with advances under the loan being made during the first eighteen month period ending on December 30, 2021. This loan is secured by buildings and equipment of the Company. The interest rate is 3.75%. Interest only payments are required throughout the life of the loan with outstanding principal plus any accrued unpaid interest due at June 30, 2025. The total amount outstanding, net of debt issuance costs, under these notes at December 31, 2021 and 2020 is $7,031,766, and $6,504,163, respectively.

On February 10, 2021, the Company obtained a $1,510,722 loan from JP Morgan Chase Bank under the Small Business Administration (SBA) Payroll Protection Program (PPP). Under the terms of the PPP, up to 100% of the loan (and related interest) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. The Company received $1,412,501 in forgiveness plus interest from the SBA. The amount of the forgiveness is presented as a component of disaster relief funding on the accompanying statement of activities for the year ended December 31, 2021. The unforgiven portion of $98,211 is included in note payable payroll protection program as of December 31, 2021.

In 2017, the Company adopted FASB ASU 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This ASU requires debt issuance costs to be presented as a direct deduction from the carrying amount of the debt liability, rather than an asset. For the years ended December 31, 2021 and 2020 there was $2,480 of amortization expense reported in the accompanying statements of activities.

Note 7. Fair Value Measurements

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

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

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

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

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

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

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

Note 7. Fair Value Measurements (Continued)

Recurring Fair Value Measurements (Continued)

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

December 31, 2021	Level 1	Level 2	Level 3	Total
Common Stocks	$ 2,358,499	$ -	$ -	$ 2,358,499
Private Equity/Hedge Funds				
Measured at Net Asset Value [a]	-	-	-	239,579
Exchange Traded Funds	2,403,105	-	-	2,403,105
Mutual Funds				
Large Blend	8,757,058	-	-	8,757,058
Foreign Large Blend	2,102,000	-	-	2,102,000
Event Driven	181,488	-	-	181,488
Intermediate Government	400,413	-	-	400,413
Long-Short Equity	206,820	-	-	206,820
Ultrashort Bond	171,315	-	-	171,315
Short-Term Bond	972,456	-	-	972,456
High Yield Bond	393,794	-	-	393,794
Intermediate Term Bond	51,613	-	-	51,613
Multistrategy	402,101	-	-	402,101
Multisector Bond	178,092	-	-	178,092
Nontraditional Bond	181,514	-	-	181,514
Intermediate Core Bond	362,265	-	-	362,265
World Bond-USD Hedged	3,651,327	-	-	3,651,327
Total Mutual Funds	18,012,256	-	-	18,012,256
Total Investments at Fair Value	$ 22,773,860	$ -	$ -	$ 23,013,439

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

Note 7. Fair Value Measurements (Continued)

Recurring Fair Value Measurements (Continued)

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

December 31, 2020	Level 1	Level 2	Level 3	Total
Private Equity/Hedge Funds				
Measured at Net Asset Value [(a)]	$ -	$ -	$ -	$ 69,417
Exchange Traded Funds	2,828,986	-	-	2,828,986
Mutual Funds				
Large Blend	8,365,458	-	-	8,365,458
Foreign Large Blend	1,630,654	-	-	1,630,654
Market Neutral	182,769	-	-	182,769
Multialternative	387,959	-	-	387,959
Long-Short Equity	208,335	-	-	208,335
Ultrashort Bond	172,692	-	-	172,692
Short-Term Bond	357,078	-	-	357,078
High Yield Bond	1,193,011	-	-	1,193,011
Corporate Bond	371,112	-	-	371,112
Multisector Bond	180,628	-	-	180,628
Nontraditional Bond	184,369	-	-	184,369
Intermediate Core Bond	376,185	-	-	376,185
World Bond-USD Hedged	3,775,638	-	-	3,775,638
Total Mutual Funds	17,385,888	-	-	17,385,888
Total Investments at Fair Value	$ 20,214,874	$ -	$ -	$ 20,284,291

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

Note 7. Fair Value Measurements (Continued)

Recurring Fair Value Measurements (Continued)

The Company's investments at December 31, 2021 and 2020, that feature net asset value (NAV) per share are as follows:

2021	Adjusted Fair Value Calculated Using NAV	Number of Funds	Remaining Life	Unfunded Commitments	Redemption Terms	Redemption Restriction Terms	Redemption Restrictions and Terms in Place at Year End
Private Equity (Fund of Funds) [(a)]	$ 239,579	1	7 Years	$ 234,080	Fund Liquidation	At the direction of the GP at liquidation of the fund.	Yes
Total	$ 239,579			$ 234,080			

(a) This fund seeks to provided aggregate long-term compound returns in excess of those available form a portfolio of conventional investments in the public equity markets by making investments primarily in underlying funds that provide exposure to different managers, sectors, geographic regions, and investment strategies.

2020	Adjusted Fair Value Calculated Using NAV	Number of Funds	Remaining Life	Unfunded Commitments	Redemption Terms	Redemption Restriction Terms	Redemption Restrictions and Terms in Place at Year End
Private Equity (Limited Partnership) [(a)]	$ 69,417	1	8 Years	$ 351,266	Fund Liquidation	At the direction of the GP at liquidation of the fund.	Yes
Total	$ 69,417			$ 351,266			

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

Note 8. Tourism Support Assessment Revenue

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

Tourism support assessment revenue totaled $10,567,567 and $6,904,318 for the years ended December 31, 2021 and 2020, respectively.

Note 9. External Commitments

External commitments in the statements of functional expenses consisted of the following for the years ended December 31, 2021 and 2020:

	2021	2020
French Quarter Management District Disbursements	**$ 82,754**	$ 275,000
Risk Mitigation - British Airways	**2,242,333**	-
Total	**$ 2,325,087**	$ 275,000

Note 10. Net Assets

Board-designated, net assets without donor restrictions are designated to support the following as of December 31, 2021 and 2020:

	2021	2020
Future Commitments	**$ 8,771,740**	$ 8,764,972
Total	**$ 8,771,740**	$ 8,764,972

The following is the future commitments of net assets by year as of December 31, 2021:

2022	$ 2,439,239
2023	1,194,399
2024	1,931,606
2025	1,134,970
2026	345,500
Thereafter	1,726,026
Total	$ 8,771,740

Note 11. Liquidity and Availability

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

Financial Assets Available, at December 31, 2021	
Cash and Cash Equivalents	$ 16,434,620
Accounts Receivable	696,388
Other Receivable, State of Louisiana	1,785,632
Other Receivable, Tourism Support Assessment	1,725,429
Investments in Marketable Securities	23,013,439
Total Available Financial Assets	43,655,508
Less: Those Unavailable for General Expenditures Within One Year	
Board Designated Assets as Disclosed in Note 10	(8,771,740)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 34,883,768

As part of its liquidity management plan, the Company invests cash in excess of daily requirements in short-term investments and money market funds.

Note 12. Hotel Tax Statutory Dedication

The Company has arrangements with the State of Louisiana (the State) to promote tourism and economic development in the Greater New Orleans area in exchange for government appropriations. Act 119 of the 2021 Regular Legislative Session provides for an annual appropriation of up to $11,200,000 based on the State's fiscal year end June 30, 2022. Act 1 of the 2020 Regular Legislative Session provides for an annual appropriation of up to $11,200,000 based on the State's fiscal year end June 30, 2021. The actual appropriation recorded for the calendar years ended December 31, 2021 and 2020, by the Company was $6,466,700 and $3,878,479, respectively.

Note 13. Defined Contribution Plan

The Company offers full-time employees who have completed sixty days of continuous service participation in its 401(k) plan. Employees may contribute up to the maximum level of deferral allowed by the Internal Revenue Service. The plan provides for employer contributions up to 100% on the first 5% of employee contributions. The employees are 100% vested after completion of two years of service. Matching contributions for the years ended December 31, 2021 and 2020 were $272,991 and $287,838, respectively.

Note 13. Defined Contribution Plan (Continued)

During the year ended December 31, 2019 the Company offered the president and CEO a participation in Executive 457(f) plan. The plan provides for employer contributions equal to participant's gross annual bonus received. Contribution for the years ended December 31, 2021 and 2020 were $124,256 and $203,289, respectively.

Note 14. Donated Services (Unaudited)

The Company has received a significant amount of non-professional donated services from various businesses in and around Greater New Orleans. These services were used in programs designed to promote the local tourism market. Management estimates that approximately $43,015 and $78,368 of donated services were received in 2021 and 2020, respectively. However, these services do not meet all of the applicable requirements of ASC 958, *Not-for-Profit Entities*; therefore, no amounts have been reflected in the financial statements for these donated services.

Note 15. Commitments and Contingencies

Operating Leases

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

2022	$	48,604
2023		41,213
2024		21,310
2025		16,025
2026		16,025
Thereafter		5,341
Total	$	148,518

Rent expense in 2021 and 2020 totaled $44,721 and $47,685, respectively.

Note 16. Promise to Give

During the year ended December 31, 2019, the Company entered into an event support agreement with the Essence Festival for a period of five years. At December 31, 2021 and 2020, included in current liabilities is $341,453 and $125,000, respectively, and in long-term liabilities is $708,727 and $1,050,180, respectively, due for this event within five years.

Note 17. Cooperative Endeavor Agreements

The Company operates four international offices in the United Kingdom, Germany, France, and China, as well as in "targeted international markets" also referred as "emerging markets" on behalf of the State of Louisiana to promote tourism. The "emerging markets" funding supports tourism promotions in Mexico, Brazil, the Netherlands, Scandinavia, Australia, and Japan. The Louisiana Office of Tourism reimburses the Company for 60-65% of the cost of marketing and operations at these foreign offices with a maximum reimbursement of $525,000, which decreased to $524,384 annually beginning July 1, 2018. Included in Louisiana Office of Tourism support on the statements of activities is $-0- and $118,596 for the years ended December 31, 2021 and 2020, respectively, related to this funding.

On March 27, 2017, the Company entered into a commercial agreement with an international airline in order to launch and develop a new flight route. In order to mitigate the financial risks inherent in starting new routes and specifically to support the route's revenue performance, the Company agreed to provide a risk mitigation guarantee should the route not achieve its targets. The agreement is in effect until 2019. The Company signed cooperative endeavor agreements with Louisiana Department of Economic Development, City of New Orleans, Jefferson Parish, Ernest N. Morial Convention Center, and Louisiana Office of Tourism to mitigate the risk associated with the guarantee. The Company recorded a net expense of $2,242,333 and a net credit of $199,000 after reimbursements in the statements of activities under this agreement for the years ended December 31, 2021 and 2020, respectively. Under this agreement, the Company also provides marketing funds of $1,000,000 per year, over the three-year agreement. During the years ended December 31, 2021 and 2020, the Company incurred promotion expenses of $-0- and $46,457, under this agreement. As of December 31, 2021 and 2020, there was $-0- and $1,227,000 included in other accrued liabilities for this agreement, respectively.

Note 18. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. While it is still unknown how long these conditions will continue to have a financial effect to the Company, to date, the Company has experienced minimal interruptions surrounding its live events and programs that have resumed. The Company remains cautiously optimistic to return to pre-pandemic levels; however, it is reasonably possible that estimates made in the financial statements could be impacted in the near-term as a result of the continued challenges relative to these conditions.

Note 19. Subsequent Events

Management has evaluated subsequent events through, June 14, 2022, the date which the financial statements were available to be issued. No events were identified that required adjustment to or disclosure within the financial statements.

SUPPLEMENTARY INFORMATION

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

Agency Head
J. Stephen Perry, President/CEO

Purpose	**Amount**
Salary	$0
Bonus	$0
Benefits - Insurance	$0
Benefits - Retirement	$0
Benefits - Other	$0
Car Allowance	$0
Vehicle Provided by Organization	$0
Per Diem	$0
Reimbursements	$0
Travel	$0
Registration Fees	$0
Conference Travel	$0
Continuing Professional Education Fees	$0
Miscellaneous Expenses	$0

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

See independent auditor's report.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Directors
New Orleans & Company

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Orleans & Company (the Company) which comprise the statement of financial position as of December 31, 2021, 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 June 14, 2022.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Company'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 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.

LaPorte

A Professional Accounting Corporation

Metairie, LA
June 14, 2022

Part I - Summary of Auditor's Results

Financial Statements

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

Federal Awards - Not applicable

Part II - Financial Statement Findings

None noted.

NEW ORLEANS & COMPANY
Schedule of Prior Audit Findings

For the Year Ended December 31, 2021

None noted.

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AGREED-UPON PROCEDURES REPORT
New Orleans & Company

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 - December 31, 2021

To the Board Members of
New Orleans & Company
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 period January 1, 2021 through December 31, 2021. New Orleans & Company management is responsible for those C/C areas identified in the SAUPs.

New Orleans & Company 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 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 purposes. 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 that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   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) ***Ethics***, 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.

Results: We reviewed New Orleans & Company's policies and procedures, and noted that because New Orleans & Company is not a governmental entity, not all of the preceding attributes are applicable. For each attribute that was applicable, the required elements were included.

Board or Finance Committee

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 that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds 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.

    Results: No exceptions were identified as a result of performing these procedures.

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 accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for 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 that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

    Results: No exceptions were identified as a result of performing these procedures.

Collections (excluding electronic funds transfers)

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).

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:

   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/official verifies the reconciliation.

   Results: No exceptions were identified as a result of performing these procedures.

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

   Results: No exceptions were identified as a result of performing these procedures.

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 that 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.

Results: No exceptions were identified as a result of performing these procedures.

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).

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.

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

   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.

   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.

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)]

   Results: No exceptions were identified as a result of performing these procedures.

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 itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

   b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

   Results: No exceptions were identified as a result of performing these procedures.

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 cards. Obtain management's representation that the listing is complete.

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 that 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) was 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.

    Results: No exceptions were identified as a result of performing these procedures.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, 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). For each transaction, observe that 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.

    Results: No exceptions were identified as a result of performing these procedures.

Travel and Travel-Related Expense Reimbursements (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:

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (<u>www.gsa.gov</u>).

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe that 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 that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of performing these procedures.

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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

b) Observe that 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 that 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were identified as a result of performing these procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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 that all selected employees or officials 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 that supervisors approved the attendance and leave of the selected employees or officials.
    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
    d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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 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.

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.

    Results: No exceptions were identified as a result of performing these procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above· obtain ethics documentation from management, and:

    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
    b) Observe that 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.

    Results: As New Orleans & Company is a non-profit entity these procedures are not applicable.

Debt Service

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 that State Bond Commission approval was obtained for each debt instrument issued.

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).

    Results: As New Orleans & Company is a non-profit entity, that does not have public debt, these procedures are 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.

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

    Results: No exceptions were identified as a result of performing these procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

    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.

Results: We performed the procedures and discussed the results with management.

Sexual Harassment

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 that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. Observe that 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).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that 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.

    Results: As New Orleans & Company is a non-profit entity these procedures are not applicable.

We were engaged by New Orleans & Co. 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 New Orleans & Co., 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

LaPorte

A Professional Accounting Corporation

Metairie, LA
June 14, 2022