

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

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021



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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 consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation (collectively “the Organization”), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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 accompanying 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, 2022 and 2021, 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's, 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'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 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'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**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis 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 29, 2023 on our consideration of Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation's, internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's, internal control over financial reporting and compliance.

Metairie, Louisiana  
June 29, 2023

*Wegmann Bazet APC*

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

December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,516,798	\$ 1,406,586
Accounts receivable, net of allowance	1,781,750	1,691,745
Other current assets	89,145	69,702
Total current assets	<u>3,387,693</u>	<u>3,168,033</u>
Property and equipment, at cost less accumulated depreciation	61,623	38,006
Investments	1,043,490	1,191,058
Other noncurrent assets	21,588	4,662
Right of use assets - operating, net of accumulated amortization	1,176,664	-
Total assets	<u><u>\$ 5,691,058</u></u>	<u><u>\$ 4,401,759</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 82,948	\$ 65,803
Accrued payroll liabilities	461,596	408,189
Contract liabilities	258,831	141,850
Current portion of operating lease obligations	180,122	-
Total current liabilities	<u>983,497</u>	<u>615,842</u>
Operating lease obligations, less current portion	996,542	-
Total liabilities	<u>1,980,039</u>	<u>615,842</u>
<b>NET ASSETS</b>		
Net assets		
Without donor restrictions	3,341,112	3,361,435
With donor restrictions	369,907	424,482
Total net assets	<u>3,711,019</u>	<u>3,785,917</u>
Total liabilities and net assets	<u><u>\$ 5,691,058</u></u>	<u><u>\$ 4,401,759</u></u>

See accompanying Notes to Consolidated Financial Statements.

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

For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Investor contributions	\$ 3,111,192	\$ -	\$ 3,111,192
Sponsorship	430,220	-	430,220
Grants	1,081,631	2,044,951	3,126,582
Management fees	108,000	-	108,000
Investment loss	(185,989)	-	(185,989)
Other income	80,160	-	80,160
Net assets released from restrictions	2,099,526	(2,099,526)	-
	<u>6,724,740</u>	<u>(54,575)</u>	<u>6,670,165</u>
Total revenues			
Expenses			
Program services			
Grants	2,561,538	-	2,561,538
Initiatives	360,047	-	360,047
Public	313,550	-	313,550
Business development	631,705	-	631,705
Communications	137,919	-	137,919
Supporting services			
General and administrative	2,740,304	-	2,740,304
	<u>6,745,063</u>	<u>-</u>	<u>6,745,063</u>
Total expenses			
Change in net assets	(20,323)	(54,575)	(74,898)
Net assets			
Beginning of year	<u>3,361,435</u>	<u>424,482</u>	<u>3,785,917</u>
End of year	<u>\$ 3,341,112</u>	<u>\$ 369,907</u>	<u>\$ 3,711,019</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 FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services					General and Administrative	Total Expenses
	Grants	Initiatives	Public	Business Development	Communications		
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,983	\$ 67,983
Bank service charge	-	-	-	-	-	2,813	2,813
Contracted staff expenses	104,486	-	-	-	-	-	104,486
Consultants	471,835	4,000	104,000	68,675	-	326,591	975,101
Development	106,813	13,266	9,500	2,748	-	22,884	155,211
Depreciation	-	-	-	-	-	15,552	15,552
Dues and subscriptions	67,312	-	822	21,300	-	33,748	123,182
Grants	252,150	-	-	-	-	100,000	352,150
Grant administration	755,544	-	-	-	-	(490,922)	264,622
Insurance	430	-	(1,637)	(43,346)	(3,448)	187,184	139,183
Indirect overhead	353,473	-	-	-	-	(353,473)	-
Marketing	107,450	10,868	-	-	-	151,907	270,225
Meetings and events	61,825	200,857	1,506	20,156	-	31,297	315,641
Merchant credit card fees	-	19	-	-	-	8,950	8,969
Payroll service fees	-	-	-	-	-	39,106	39,106
Payroll taxes	-	-	13,747	47,878	10,016	105,421	177,062
Postage and delivery	16	-	92	377	-	1,082	1,567
Printing and reproduction	5,445	9,770	101	370	101	15,373	31,160
Professional services	2,438	-	-	-	-	23,800	26,238
Public relations	126,000	-	-	-	-	-	126,000
Rent expense	34,465	-	-	1,170	-	185,902	221,537
Repairs and maintenance	-	-	-	-	-	5,620	5,620
Salary and wages	-	-	176,756	456,720	131,250	1,908,026	2,672,752
Service awards	1,771	8,237	-	1,221	-	9,140	20,369
Storage	-	-	-	-	-	5,386	5,386
Supplies	2,990	837	-	754	-	17,334	21,915
Training and development	-	-	-	-	-	3,341	3,341
Technology	12,680	-	-	158	-	48,174	61,012
Telephone	586	-	-	5,060	-	27,569	33,215
Travel, meals and entertainment	42,054	112,193	8,663	48,464	-	140,440	351,814
Website development	51,775	-	-	-	-	12,648	64,423
401K contributions	-	-	-	-	-	87,428	87,428
<b>Total expenses</b>	<b>\$ 2,561,538</b>	<b>\$ 360,047</b>	<b>\$ 313,550</b>	<b>\$ 631,705</b>	<b>\$ 137,919</b>	<b>\$ 2,740,304</b>	<b>\$ 6,745,063</b>

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
<b>Total expenses</b>	<b>\$ 1,819,872</b>	<b>\$ 49,032</b>	<b>\$ 424,614</b>	<b>\$ 711,396</b>	<b>\$ 167,793</b>	<b>\$ 2,555,119</b>	<b>\$ 5,727,826</b>

See accompanying Notes to Consolidated Financial Statements.

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

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (74,898)	\$ 228,760
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	15,552	14,169
Operating lease asset amortization	124,124	-
Provision for bad debts	67,983	361,327
Net unrealized loss (gain) on investments	188,485	(4,050)
(Increase) decrease in operating assets:		
Accounts receivables	(157,988)	(999,132)
Other current assets	(19,443)	(49,515)
Other noncurrent assets	(16,926)	(1,401)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued payroll liabilities	70,552	85,655
Operating lease obligations	(124,124)	-
Contract liabilities	116,981	(150,868)
Net cash provided (used) by operating activities	<u>190,298</u>	<u>(515,055)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(39,169)	(6,139)
Purchase of investments	(40,917)	(1,037,374)
Net reinvestment of realized investment return	-	(64,076)
Net cash used by investing activities	<u>(80,086)</u>	<u>(1,107,589)</u>
Net increase (decrease) in cash and cash equivalents	110,212	(1,622,644)
Cash and cash equivalents at beginning of year	<u>1,406,586</u>	<u>3,029,230</u>
Cash and cash equivalents at end of year	<u>\$ 1,516,798</u>	<u>\$ 1,406,586</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, 2022 and 2021

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 and the Foundation's estimate for the allowance for doubtful accounts is based on a review of the current status of accounts receivable. Accounts receivable for the Organization is presented net of an allowance for doubtful accounts of \$267,257 and \$436,687 as of December 31, 2022 and 2021, respectively.

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, 2022 and 2021

2) Summary of significant accounting policies (continued)

e) Investments (continued)

Realized gains, including income amounted to \$2,496 and \$56,241 in 2022 and 2021, respectively. Net unrealized (losses) gains were (\$188,485) and \$4,050 in 2022 and 2021, 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 \$270,225 and \$257,218 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021

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) Leases

Effective January 1, 2022, the Company adopted the amended provisions of ASC Topic 842, *Leases*, using the modified retrospective approach, impacting the reporting and disclosures for leases. Under the revised standard, the Company recognizes a liability representing the present value of future lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset over the lease term in the consolidated statements of financial position.

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

For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

n) Leases (continued)

The Organization determines if an arrangement is a lease at inception of the contract and assesses the appropriate classification as finance or operating. Finance and operating lease liabilities represent the present value of minimum lease payments not yet paid. Lease assets represent the right to use an underlying asset and are based upon the lease liabilities. To determine the present value of lease payments, the Organization estimates an incremental borrowing rate which represents the rate used for a secured borrowing of a similar term as the lease. Variable lease payments that do not depend on an index or a rate, such as insurance and property taxes, are excluded from the measurement of the lease liability and are expensed when the obligation for that payment is incurred.

The lease term includes the initial contractual terms as well as any options to extend the lease when it is reasonably certain that the Organization will exercise that option. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Operating lease payments are charged on a straight-line basis to rent expense over the lease term and finance lease payments are charged to interest expense and amortization over the lease terms. Assets under finance leases are amortized in accordance with the Organization's normal depreciation policy for owned assets or over the lease term, if shorter.

The Organization evaluates whether events and circumstances have occurred that indicate right of use assets have been impaired. Measurement of any impairment of such assets is based on their fair values. Once a right of use asset for a lease is impaired, the carrying amount of the right of use asset is reduced through expense and the remaining balance is subsequently amortized on a straight-line basis. During 2022, the Organization determined that the carrying amount of right of use assets has not exceeded its fair value; accordingly, no impairment losses exist.

For periods prior to January 1, 2022, lease accounting was in accordance with the previously effective guidance of ASC Topic 840, *Leases*, where operating lease costs were expensed as incurred and non-cancellable future minimum operating lease payments were presented for disclosure only. In accordance with this standard the Organization had no operating lease agreements containing provisions for future rent increases.

o) Accounting standard recently adopted

The Organization adopted ASC Topic 842, *Leases*, on a modified retrospective basis and elected the transitional provisions eliminating the requirement to restate prior periods. The Organization also elected to not reassess the original conclusions reached regarding lease identification, lease classification and initial direct costs for leases entered into prior to the adoption of ASC Topic 842, *Leases*. Under the new guidance, lessees are required to recognize right of use assets and lease liabilities on the consolidated balance sheet for all leases greater than 12 months. Leases are classified as either finance or operating. The Organization recognized the following assets and liabilities as a result of the adoption of this standard:

	<u>2022</u>
Assets obtained for operating lease liabilities	<u>\$ 1,300,788</u>
Liabilities assumed for operating lease assets	<u>\$ (1,300,788)</u>

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

For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

p) 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 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>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 164,075	\$ 164,075
Equipment	132,316	107,764
Leasehold improvements	<u>50,243</u>	<u>35,627</u>
Total costs	346,634	307,466
Less: accumulated depreciation	<u>285,011</u>	<u>269,460</u>
Property and equipment	<u>\$ 61,623</u>	<u>\$ 38,006</u>

4) Fair value measurement

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.

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

For the Years Ended December 31, 2022 and 2021

4) Fair value measurement (continued)

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, 2022.

*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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022 and 2021:

Description	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
	Cost	Quoted Prices In Active Markets (Level 1)	Cost	Quoted Prices In Active Markets (Level 1)
Money market funds	\$ 18,759	\$ 34,252	\$ 4,394	\$ 5,219
Mutual funds	1,043,215	1,009,238	1,043,215	1,185,839
Totals	<u>\$ 1,061,974</u>	<u>\$ 1,043,490</u>	<u>\$ 1,047,609</u>	<u>\$ 1,191,058</u>

5) 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, 2022 and 2021, GNO, Inc. contributed \$87,428 and \$82,042 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, 2022 and 2021, GNO, Inc. contributed \$20,500 and \$19,500, respectively.



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

For the Years Ended December 31, 2022 and 2021

5) Employee benefit plan (continued)

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 by GNO, Inc. and commingled with its general assets. The total amount deferred on the Plan as of December 31, 2022 is \$155,000.

6) Leases

The Company leases office space under an agreement, which is classified as an operating lease. The lease does not contain a significant residual value guaranty and does not impose significant restrictions or covenants.

At December 31, 2022, the remaining lease term for the operating lease was approximately 7 years. The discount rate for the operating lease was 4.5%.

The table below presents certain information related to lease costs for the year ended December 31, 2022:

Operating lease cost	\$ 180,122
Short-term lease cost	41,415
Total lease costs	<u>\$ 221,537</u>

Maturities of lease liabilities as of December 31, 2022 are as follows:

For the years ending December 31:	<u>Amount</u>
2023	\$ 180,122
2024	180,122
2025	180,122
2026	180,122
2027	180,122
Thereafter	<u>495,320</u>
Total	1,395,930
Less: imputed interest	<u>(219,266)</u>
Lease liability	<u>\$ 1,176,664</u>

The following is related to the Company's lease accounting policy under ASC Topic 840 for the year ended December 31, 2021.

Future minimum lease payments under non-cancelable operating lease agreements as of December 31, 2021 are as follows:

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

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

For the Years Ended December 31, 2022 and 2021

7) Donated services

For the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	<u>2022</u>	<u>2021</u>
Advertising	\$ 150,977	\$ 139,660
Computer operations	10,896	10,896
Consulting services	82,500	80,000
Dues and subscriptions	-	375
Meetings and events	36,755	1,085
Payroll processing fees	19,048	16,279
Registration fees/tickets	-	2,750
Repairs and maintenance	-	29,200
Travel	8,750	17,600
Website development	17,952	26,073
	<u>\$ 326,878</u>	<u>\$ 323,918</u>

Contributed services are recognized at fair value based on current rates for similar services.

8) Liquidity and availability

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

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,516,798	\$ 1,406,586
Accounts receivable	<u>1,781,750</u>	<u>1,691,745</u>
Financial assets, at year end	3,298,548	3,098,331
Less those unavailable for general expenditure within one year, due to		
Restriction by donor for specified purpose	<u>(369,907)</u>	<u>(424,482)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,928,641</u>	<u>\$ 2,673,849</u>

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

For the Years Ended December 31, 2022 and 2021

9) Restrictions on net assets

For the years ended December 31, 2022 and 2021, Greater New Orleans, Inc. did not have donor restricted grants subject to expenditures for specified purposes. Net assets with donor restrictions subject to expenditures for specified purposes as of December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Foundation:		
Coastal Vitality Project	\$ 57,057	\$ 103,711
Coronavirus Economic Response + Recovery	76,127	15,091
Crime Tech Task Force	71,556	74,331
ECMC Foundation	11,300	11,300
EDI Digital	25,270	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
Technology Workforce Access Program	6,403	6,403
Walton - NOLA 300	25,000	25,000
Youthforce NOLA	45,194	35,193
Total donor restricted assets	<u>\$ 369,907</u>	<u>\$ 424,482</u>

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

For the Years Ended December 31, 2022 and 2021

10) 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<b>Satisfaction of purpose restrictions</b>		
Upskilling LI50+ Workforce	\$ 131,496	\$ 122,722
Crime Tech Task Force	2,775	-
Coronavirus Response + Recovery	138,964	195,959
ECMC Foundation	-	85,500
Coastal Vitality Project	271,663	264,742
Capital One - Increasing EDI in Digi	35,867	18,863
Expanding Opportunities and Building Capacity for Paid Internships	7,884	17,116
Capital One - Digital Pathways	-	38,322
Louisiana Children's Museum	-	7,500
	<u>\$ 588,649</u>	<u>\$ 750,724</u>
 <b>Restricted-purpose spending-rate distributions and appropriations</b>		
Regional STEM Network and Center	\$ 225,725	\$ 142,391
GNO Opportunity Zone Strategy and Promotion	47,137	71,890
Mechatronics Apprenticeship Program	67,309	88,078
Veteran Employment Transition	-	52,038
Preparing our Workforce for Energy Renewal Project	111,327	23,211
GNOu Demand-Driven Training/Degree Programs	107,342	175,830
GNO Pivot 2.0 Initiative	253,105	168,045
H2theFutue Initiative	501,555	-
Project Rebirth	47,548	-
Value-Added Manufacturing Initiative	23,172	8,850
Regional Food Systems Partnership Program	126,657	25,621
	<u>\$ 1,510,877</u>	<u>\$ 755,954</u>

11) Paycheck Protection Program

During the year ended December 31, 2021, 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, under the terms and conditions of the PPP during the year ended December 31, 2021.

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

For the Years Ended December 31, 2022 and 2021

11) Paycheck Protection Program (continued)

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 as a contribution for the forgiveness of the loan and has included it in grant revenue on the consolidated statement of activities for the year ended December 31, 2021.

12) Subsequent events

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

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Greater New Orleans, Inc. and affiliate  
d/b/a GNO, Inc.  
New Orleans, Louisiana

We have audited the consolidated financial statements of Greater New Orleans, Inc. and affiliate as of and for the years ended December 31, 2022 and 2021, and our report thereon dated June 29, 2023, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are 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.

Metairie, Louisiana  
June 29, 2023

*Wegmann Bazet APC*

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

December 31, 2022

	Greater New Orleans, Inc.	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 459,313	\$ 1,057,485	\$ 1,516,798	\$ -	\$ 1,516,798
Accounts receivable, net of allowance	1,569,663	695,229	2,264,892	(483,142)	1,781,750
Other current assets	89,145	-	89,145	-	89,145
Total current assets	<u>2,118,121</u>	<u>1,752,714</u>	<u>3,870,835</u>	<u>(483,142)</u>	<u>3,387,693</u>
Property and equipment, at cost less accumulated depreciation	61,623	-	61,623	-	61,623
Investments	148,925	894,565	1,043,490	-	1,043,490
Other noncurrent assets	21,588	-	21,588	-	21,588
Right of use assets - operating, net of accumulated amortization	<u>1,176,664</u>	<u>-</u>	<u>1,176,664</u>	<u>-</u>	<u>1,176,664</u>
Total assets	<u>\$ 3,526,921</u>	<u>\$ 2,647,279</u>	<u>\$ 6,174,200</u>	<u>\$ (483,142)</u>	<u>\$ 5,691,058</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 67,914	\$ 498,176	\$ 566,090	\$ (483,142)	\$ 82,948
Accrued payroll liabilities	445,293	16,303	461,596	-	461,596
Contract liabilities	204,073	54,758	258,831	-	258,831
Current portion of operating lease obligations	180,122	-	180,122	-	180,122
Total current liabilities	<u>897,402</u>	<u>569,237</u>	<u>1,466,639</u>	<u>(483,142)</u>	<u>983,497</u>
Operating lease obligations, less current portion	<u>996,542</u>	<u>-</u>	<u>996,542</u>	<u>-</u>	<u>996,542</u>
Total liabilities	<u>1,893,944</u>	<u>569,237</u>	<u>2,463,181</u>	<u>(483,142)</u>	<u>1,980,039</u>
<b>NET ASSETS</b>					
Net assets					
Without donor restrictions	1,632,977	1,708,135	3,341,112	-	3,341,112
With donor restrictions	<u>-</u>	<u>369,907</u>	<u>369,907</u>	<u>-</u>	<u>369,907</u>
Total net assets	<u>1,632,977</u>	<u>2,078,042</u>	<u>3,711,019</u>	<u>-</u>	<u>3,711,019</u>
Total liabilities and net assets	<u>\$ 3,526,921</u>	<u>\$ 2,647,279</u>	<u>\$ 6,174,200</u>	<u>\$ (483,142)</u>	<u>\$ 5,691,058</u>

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
<b>ASSETS</b>					
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>
<b>LIABILITIES</b>					
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
Contract 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>
<b>NET ASSETS</b>					
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 ACTIVITIES

For the Year Ended December 31, 2022

	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
<b>Revenues</b>							
Investor contributions	\$ 2,469,733	\$ -	\$ 641,459	\$ -	\$ 3,111,192	\$ -	\$ 3,111,192
Sponsorship	378,959	-	51,261	-	430,220	-	430,220
Grants	955,007	-	126,624	2,044,951	3,126,582	-	3,126,582
Management fees	1,212,334	-	117,671	-	1,330,005	(1,222,005)	108,000
Investment loss	(25,641)	-	(160,348)	-	(185,989)	-	(185,989)
Other income	65,000	-	15,160	-	80,160	-	80,160
Net assets released from restrictions	-	-	2,099,526	(2,099,526)	-	-	-
<b>Total revenues</b>	<b>5,055,392</b>	<b>-</b>	<b>2,891,353</b>	<b>(54,575)</b>	<b>7,892,170</b>	<b>(1,222,005)</b>	<b>6,670,165</b>
<b>Expenses</b>							
<b>Program services</b>							
Grants	1,033,381	-	2,463,160	-	3,496,541	(935,003)	2,561,538
Initiatives	338,811	-	21,236	-	360,047	-	360,047
Public	313,550	-	-	-	313,550	-	313,550
Business development	631,705	-	-	-	631,705	-	631,705
Communications	137,919	-	-	-	137,919	-	137,919
<b>Supporting services</b>							
General and administrative	2,388,719	-	638,587	-	3,027,306	(287,002)	2,740,304
<b>Total expenses</b>	<b>4,844,085</b>	<b>-</b>	<b>3,122,983</b>	<b>-</b>	<b>7,967,068</b>	<b>(1,222,005)</b>	<b>6,745,063</b>
<b>Change in net assets</b>	<b>211,307</b>	<b>-</b>	<b>(231,630)</b>	<b>(54,575)</b>	<b>(74,898)</b>	<b>-</b>	<b>(74,898)</b>
<b>Net assets</b>							
Beginning of year	1,421,670	-	1,939,765	424,482	3,785,917	-	3,785,917
End of year	\$ 1,632,977	\$ -	\$ 1,708,135	\$ 369,907	\$ 3,711,019	\$ -	\$ 3,711,019

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
<b>Revenues</b>							
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)	-	-	-
<b>Total revenues</b>	<b>4,916,717</b>	<b>(45,822)</b>	<b>2,398,409</b>	<b>28,224</b>	<b>7,297,528</b>	<b>(1,340,942)</b>	<b>5,956,586</b>
<b>Expenses</b>							
<b>Program services</b>							
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
<b>Supporting services</b>							
General and administrative	2,575,496	-	209,947	-	2,785,443	(230,324)	2,555,119
<b>Total expenses</b>	<b>4,773,185</b>	<b>-</b>	<b>2,295,583</b>	<b>-</b>	<b>7,068,768</b>	<b>(1,340,942)</b>	<b>5,727,826</b>
<b>Change in net assets</b>	<b>143,532</b>	<b>(45,822)</b>	<b>102,826</b>	<b>28,224</b>	<b>228,760</b>	<b>-</b>	<b>228,760</b>
<b>Net assets</b>							
Beginning of year	1,278,138	45,822	1,836,939	396,258	3,557,157	-	3,557,157
End of year	<u>\$ 1,421,670</u>	<u>\$ -</u>	<u>\$ 1,939,765</u>	<u>\$ 424,482</u>	<u>\$ 3,785,917</u>	<u>\$ -</u>	<u>\$ 3,785,917</u>

GREATER NEW ORLEANS, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,500	\$ -	\$ -	\$ 50,483	\$ 67,983	\$ -	\$ 67,983
Bank service charge	-	-	-	-	-	2,761	-	-	52	2,813	-	2,813
Contracted staff expenses	30,595	-	-	-	-	-	73,891	-	-	104,486	-	104,486
Consultants	251,237	4,000	104,000	68,675	-	98,459	220,598	-	228,132	975,101	-	975,101
Development	49,670	13,266	9,500	2,748	-	22,884	57,143	-	-	155,211	-	155,211
Depreciation	-	-	-	-	-	15,552	-	-	-	15,552	-	15,552
Dues and subscriptions	66,840	-	822	21,300	-	26,515	472	-	7,233	123,182	-	123,182
Grants	-	-	-	-	-	-	252,150	-	100,000	352,150	-	352,150
Grant administration	264,622	-	-	-	-	-	490,922	-	(490,922)	264,622	-	264,622
Insurance	430	-	(1,637)	(43,346)	(3,448)	150,123	-	-	37,061	139,183	-	139,183
Indirect overhead	-	-	-	-	-	-	353,473	-	(353,473)	-	-	-
Marketing	103,460	10,868	-	-	-	151,907	3,990	-	-	270,225	-	270,225
Meetings and events	19,003	180,047	1,506	20,156	-	30,079	42,822	20,810	1,218	315,641	-	315,641
Management fee	89,671	-	-	-	-	-	845,332	-	287,002	1,222,005	(1,222,005)	-
Merchant credit card fees	-	-	-	-	-	8,950	-	19	-	8,969	-	8,969
Payroll service fees	-	-	-	-	-	28,537	-	-	10,569	39,106	-	39,106
Payroll taxes	-	-	13,747	47,878	10,016	57,416	-	-	48,005	177,062	-	177,062
Postage and delivery	-	-	92	377	-	1,082	16	-	-	1,567	-	1,567
Printing and reproduction	869	9,770	101	370	101	14,626	4,576	-	747	31,160	-	31,160
Professional services	-	-	-	-	-	20,900	2,438	-	2,900	26,238	-	26,238
Public relations	126,000	-	-	-	-	-	-	-	-	126,000	-	126,000
Rent expense	24,565	-	-	1,170	-	185,902	9,900	-	-	221,537	-	221,537
Repairs and maintenance	-	-	-	-	-	5,620	-	-	-	5,620	-	5,620
Salary and wages	-	-	176,756	456,720	131,250	1,238,714	-	-	669,312	2,672,752	-	2,672,752
Service awards	-	8,237	-	1,221	-	9,140	1,771	-	-	20,369	-	20,369
Storage	-	-	-	-	-	5,386	-	-	-	5,386	-	5,386
Supplies	-	837	-	754	-	17,004	2,990	-	330	21,915	-	21,915
Training and development	-	-	-	-	-	2,591	-	-	750	3,341	-	3,341
Technology	-	-	-	158	-	48,151	12,680	-	23	61,012	-	61,012
Telephone	-	-	-	5,060	-	23,092	586	-	4,477	33,215	-	33,215
Travel, meals and entertainment	6,419	111,786	8,663	48,464	-	119,246	35,635	407	21,194	351,814	-	351,814
Website development	-	-	-	-	-	12,953	51,775	-	(305)	64,423	-	64,423
401K contributions	-	-	-	-	-	73,629	-	-	13,799	87,428	-	87,428
<b>Total expenses</b>	<b>\$ 1,033,381</b>	<b>\$ 338,811</b>	<b>\$ 313,550</b>	<b>\$ 631,705</b>	<b>\$ 137,919</b>	<b>\$ 2,388,719</b>	<b>\$ 2,463,160</b>	<b>\$ 21,236</b>	<b>\$ 638,587</b>	<b>\$ 7,967,068</b>	<b>\$ (1,222,005)</b>	<b>\$ 6,745,063</b>

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
<b>Total expenses</b>	<b>\$ 845,139</b>	<b>\$ 48,747</b>	<b>\$ 424,614</b>	<b>\$ 711,396</b>	<b>\$ 167,793</b>	<b>\$ 2,575,496</b>	<b>\$ 2,085,351</b>	<b>\$ 285</b>	<b>\$ 209,947</b>	<b>\$ 7,068,768</b>	<b>\$ (1,340,942)</b>	<b>\$ 5,727,826</b>

UNIFORM GUIDANCE COMPLIANCE AND  
GOVERNMENT AUDITING STANDARD REPORTS

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, 2022, 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 29, 2023.

**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 over financial reporting 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 over financial reporting 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 29, 2023

*Wegmann Bazet APC*

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Greater New Orleans, Inc. and Affiliates' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Greater New Orleans, Inc. and Affiliates' major federal programs for the year ended December 31, 2022. Greater New Orleans, Inc. and Affiliates' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Greater New Orleans, Inc. and Affiliates' complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Greater New Orleans, Inc. and Affiliate and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Greater New Orleans, Inc. and Affiliates' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Greater New Orleans, Inc. and Affiliates' federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greater New Orleans, Inc. and Affiliates' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Greater New Orleans, Inc. and Affiliates' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Greater New Orleans, Inc. and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greater New Orleans, Inc. and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Greater New Orleans, Inc. and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material

weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Metairie, Louisiana  
June 29, 2023

*Wegmann Bazett APC*

GREATER NEW ORLEANS, INC., AND AFFILIATE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2022

<b>Federal Grantor/Pass-through Grantor/Program</b>	<b>Federal A.L. Number</b>	<b>Federal Expenditures</b>
U.S. Department of Labor WIOA Dislocated Worker National Reserve Demonstration Workforce Opportunity for Rural Communities (WORC)	17.280	<u>\$ 179,651</u>
U.S. Economic Development Administration Economic Adjustment Assistance American Rescue Plan Act Build Back Better Regional Challenge	11.307	501,555
EDA Disaster Supplemental	11.307	107,342
Scaling Pandemic Resilience through Innovation and Technology (SPRINT) Challenge	11.307	253,105
CARES Act Recovery Assistance	11.307	<u>155,170</u>
Total Economic Adjustment Assistance		<u>1,017,172</u>
U.S. Department of Commerce Delta Regional Authority States Economic Development Assistance Program 2020	90.200	47,137
Delta Workforce Grant Program 2021	90.200	<u>47,548</u>
Total Delta Regional Authority		<u>94,685</u>
U.S. Department of Agriculture USDA-AMS-TM-RFSP-G-21-0009 FY 2021 Regional Food System Partnerships (RFSP) grant program	10.177	<u>126,657</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,418,165</u></u>

GREATER NEW ORLEANS, INC., AND AFFILIATE  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2022

- Note 1 General  
The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Greater New Orleans, Inc. and Affiliate. The reporting entity is defined in Note 1 to Greater New Orleans, Inc. and Affiliates' consolidated financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.
- Note 2 Basis of accounting  
The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Greater New Orleans, Inc. has not applied for its own indirect cost rate.
- Note 3 Risk-based audit approach  
The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The Organization does qualify as a low-risk auditee.
- Note 4 Possible ineligible, disallowed and questioned costs  
Greater New Orleans, Inc. and Affiliate is subject to audits and investigations by state and federal agencies or their designees for compliance with contractual and programmatic requirements with regard to funding provided to Greater New Orleans, Inc. and Affiliate. The determination of whether any instances of noncompliance that will ultimately result in remittance by Greater New Orleans, Inc. and Affiliate of any ineligible or disallowed costs cannot be presently determined.
- Note 5 Indirect Cost Rate  
Greater New Orleans, Inc.. has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

GREATER NEW ORLEANS, INC., AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2022

SECTION I - SUMMARY OF THE AUDITORS' RESULTS

1. Type of report issued on the consolidated financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the consolidated financial statements: **No.** Material weaknesses: **No.**
3. Noncompliance which is material to the consolidated financial statements: **No.**
4. Significant deficiencies in internal control over major programs: **No.** Material weaknesses: **No.**
5. Type of report issued on compliance for major programs: **Unmodified Opinion.**
6. Any audit findings which are required to be reported in accordance with 2CFR 200.516(a): **No.**
7. Major programs for the fiscal year ended December 31, 2022 were:  
  
U.S. Economic Development Administration  
Economic Adjustment Assistance (A.L. #11.307)  
  
U.S. Department of Labor  
WIOA Dislocated Worker National Reserve Demonstration (A.L. #17.280)
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
9. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes.**
10. A management letter was issued: **No.**

SECTION II – FINANIAL STATEMENT FINDINGS

No findings noted for the year ending December 31, 2022

SECTION III – FEDERAL AWARD FINDINGS

No findings noted for the year ending December 31, 2022

SECTION IV – FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

Not applicable

SUPPLEMENTARY INFORMATION

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

For the Year Ended December 31, 2022

SUMMARY OF COMPENSATION

Michael Hecht  
President & CEO

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

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, 2022 through December 31, 2022. 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, 2022 through December 31, 2022. 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***

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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 rates 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) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase 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).
- 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) **Prevention of 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) and item j) above are not applicable. The Entity does not hold debt, and accordingly, item j) above is not applicable.

### ***Board or Finance Committee***

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- 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 funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit 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.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Procedure Results** - We performed the procedures noted above and noted no exceptions. The Entity is not a governmental entity, nor does it report on the governmental accounting model, accordingly, item b) and c) above are not applicable. The Entity does not have any audit findings, therefore, item d) above is not applicable.

### ***Bank Reconciliations***

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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 written evidence that a member of management or a 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)***

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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** - We performed the procedure noted above and noted no exceptions.

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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 responsible for cash collections do not share cash drawers/registers.

**Procedure results** – We performed the procedure noted above and noted no exception.

- b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

**Procedure results** – We performed the procedure noted above and noted no exception.

- c) Each employee responsible for collecting cash is not also 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.

**Procedure results** – We performed the procedure noted above and noted no exception.

- 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 is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Procedure results** – We performed the procedure noted above and noted no exception.

- 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 in force 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 Bank Reconciliations procedure #3 (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.

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

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

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- 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, then 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 or 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.
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

10. For each location selected under procedure #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 whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

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

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

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

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

***Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

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

13. 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.
- 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.

14. Using the monthly statements or combined statements selected under #13 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 (e.g., each card should have 10 transactions subject to inspection). 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.

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

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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15. 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 ([www.gsa.gov](http://www.gsa.gov)).
- 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 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 Policies and Procedures in procedure #1.
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

### ***Contracts***

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16. 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 Law (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 no 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***

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17. 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.

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

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 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).
- b) Observe whether 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 the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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

19. 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 official's cumulative leave records, agree the pay rates to the employee or official's authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.

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

20. 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 procedure noted above and noted no exceptions.

### ***Ethics***

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21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - 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. 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.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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

### ***Debt Service***

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23. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

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

24. 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***

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25. 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 as required by R.S. 24:523.

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

26. 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.

**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***

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27. 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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - 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, then 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.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Procedure Results** - We performed the procedure noted above and noted no exceptions. We discussed the results with management.

### ***Prevention of Sexual Harassment***

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29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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 as required by R.S. 42:343.

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

30. 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).

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

31. 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 that the report 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.
- 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 29, 2023

Wegmann Bazet APC