

**NEW ORLEANS FILM SOCIETY**

**FINANCIAL STATEMENTS**

June 30, 2024 and 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
New Orleans Film Society  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of New Orleans Film Society (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans Film Society as of June 30, 2024 and 2023, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of New Orleans Film Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Orleans Film Society's ability to continue as a going concern for one year after the date that the financial statements are issued or available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Orleans Film Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Orleans Film Society's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2024, on our consideration of New Orleans Film Society's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreement 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 New Orleans Film Society's internal control over financial reporting and compliance.

Metairie, Louisiana  
December 5, 2024

*Wegmann Bazet, APC*

NEW ORLEANS FILM SOCIETY  
STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,263,521	\$ 1,203,772
Promises to give	15,623	45,950
Contract assets	12,888	29,685
Grants receivable, net	303,345	243,965
Prepaid expenses	10,521	11,378
Total current assets	<u>1,605,898</u>	<u>1,534,750</u>
Grants receivable, net	211,542	125,000
Right of use assets - operating, net of accumulated amortization	<u>37,002</u>	<u>32,320</u>
Total assets	<u><u>\$ 1,854,442</u></u>	<u><u>\$ 1,692,070</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 7,030	\$ 22,582
Accrued payroll and related liabilities	5,798	4,336
Other current liabilities	4,927	617
Contract liabilities	181,237	176,873
Current portion of operating lease obligations	25,400	22,600
Total current liabilities	<u>224,392</u>	<u>227,008</u>
Operating lease obligations, less current portion	<u>13,102</u>	<u>9,720</u>
Total liabilities	<u>237,494</u>	<u>236,728</u>
NET ASSETS		
Net assets		
Without donor restrictions		
Undesignated	554,673	876,820
Board designated for operating reserves	329,625	314,022
	<u>884,298</u>	<u>1,190,842</u>
With donor restrictions	732,650	264,500
Total net assets	<u>1,616,948</u>	<u>1,455,342</u>
Total liabilities and net assets	<u><u>\$ 1,854,442</u></u>	<u><u>\$ 1,692,070</u></u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and grants			
Donations	\$ 15,618	\$ 23,500	\$ 39,118
In-kind donations	807,620	-	807,620
Sponsorships	131,327	-	131,327
Ticket sales	101,426	-	101,426
Submission fees	156,978	-	156,978
Fundraising	132,365	-	132,365
Grants	71,417	993,445	1,064,862
Membership	143,894	-	143,894
Advertising	14,300	-	14,300
Other income	60,084	-	60,084
Net assets released from restrictions	548,795	(548,795)	-
	<u>2,183,824</u>	<u>468,150</u>	<u>2,651,974</u>
Total revenues, support, and grants			
Expenses			
Program services			
New Orleans Film Festival	1,521,159	-	1,521,159
French Film Festival	136,654	-	136,654
Year round programing	84,167	-	84,167
Filmmaker programs	171,929	-	171,929
South Summit	93,530	-	93,530
Supporting services			
General and administrative	156,946	-	156,946
Fundraising	325,983	-	325,983
	<u>2,490,368</u>	<u>-</u>	<u>2,490,368</u>
Total expenses			
Change in net assets	(306,544)	468,150	161,606
Net assets			
Beginning of year	1,190,842	264,500	1,455,342
End of year	<u>\$ 884,298</u>	<u>\$ 732,650</u>	<u>\$ 1,616,948</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and grants			
Donations	\$ 25,028	\$ 29,000	\$ 54,028
In-kind donations	526,142	-	526,142
Sponsorships	356,250	-	356,250
Ticket sales	106,252	-	106,252
Submission fees	143,928	-	143,928
Fundraising	104,203	-	104,203
Grants	99,024	614,271	713,295
Membership	153,840	-	153,840
Advertising	48,000	-	48,000
Other income	74,600	-	74,600
Net assets released from restrictions	543,959	(543,959)	-
	<u>2,181,226</u>	<u>99,312</u>	<u>2,280,538</u>
Total revenues, support, and grants			
Expenses			
Program services			
New Orleans Film Festival	1,218,655	-	1,218,655
French Film Festival	125,501	-	125,501
Year round programing	105,359	-	105,359
Emerging Voices	84,977	-	84,977
South Summit	50,229	-	50,229
Southern Producers Lab	90,908	-	90,908
Supporting services			
General and administrative	143,192	-	143,192
Fundraising	325,119	-	325,119
	<u>2,143,940</u>	<u>-</u>	<u>2,143,940</u>
Total expenses			
Change in net assets	37,286	99,312	136,598
Net assets			
Beginning of year	<u>1,153,556</u>	<u>165,188</u>	<u>1,318,744</u>
End of year	<u><u>\$ 1,190,842</u></u>	<u><u>\$ 264,500</u></u>	<u><u>\$ 1,455,342</u></u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2024

	Programming Services					Supporting Services		Total expenses
	New Orleans Film Festival	French Film Festival	Year-round Programming	Filmmaker Programs	South Summit	Fundraising	General and administrative	
Advertising/marketing	\$ 10,457	\$ 596	\$ -	\$ -	\$ -	\$ 1,777	\$ -	\$ 12,830
Artistic awards	57,475	300	333	38,450	5,200	-	-	101,758
Board development	-	-	-	-	-	-	5,291	5,291
Contract labor fees	105,743	3,917	1,091	9,385	2,562	27,172	40,866	190,736
Dues and subscriptions	15,226	3,279	552	5	3	11,722	2,752	33,539
Equipment and software	22,581	3,519	1,862	2,300	1,431	3,370	2,015	37,078
Equipment rental	26,272	-	-	-	-	-	-	26,272
In-kind donations	612,257	11,503	12,076	16,186	35,355	113,691	6,552	807,620
Insurance	6,355	824	525	749	450	1,124	2,847	12,874
Merchandise	3,487	-	-	-	-	-	-	3,487
Other expenses	-	-	-	-	-	-	302	302
Workforce costs	72,237	14,917	10,598	14,093	7,314	20,418	11,721	151,298
Postage and delivery	308	182	-	-	-	78	269	837
Printing and reproduction	12,382	6,578	-	283	280	4,629	101	24,253
Rent expense - film	-	-	1,000	-	-	-	-	1,000
Rent expense - office	9,940	2,603	1,657	2,367	1,420	3,550	3,630	25,167
Rent expense - venue	31,096	7,000	1,500	200	-	600	-	40,396
Salary and wages	430,991	78,256	51,449	70,182	38,445	107,459	67,850	844,632
Special events	39,250	428	275	100	-	24,326	-	64,379
Supplies	10,067	825	271	387	232	2,996	348	15,126
Telephone and internet	5,992	1,537	978	1,397	838	2,095	1,257	14,094
Training and development	699	-	-	-	-	-	3,035	3,734
Travel and entertainment	48,344	390	-	15,845	-	976	8,110	73,665
Total expenses	<u>\$ 1,521,159</u>	<u>\$ 136,654</u>	<u>\$ 84,167</u>	<u>\$ 171,929</u>	<u>\$ 93,530</u>	<u>\$ 325,983</u>	<u>\$ 156,946</u>	<u>\$ 2,490,368</u>

See accompanying Notes to Financial Statements.



NEW ORLEANS FILM SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

	Programming Services						Supporting Services		Total expenses
	New Orleans Film Festival	French Film Festival	Year-round Programming	Emerging Voices	South Summit	Southern Producers Lab	Fundraising	General and administrative	
Advertising/marketing	\$ 12,955	\$ 2,000	\$ 300	\$ -	\$ -	\$ -	\$ 978	\$ 142	\$ 16,375
Artistic expenses	46,875	-	-	22,150	4,300	26,750	-	-	100,075
Bad debt expense	-	-	-	-	-	-	11,074	-	11,074
Bank service charge	512	83	72	60	36	60	179	-	1,002
Board development	-	-	-	-	-	-	15	4,142	4,157
Contract labor fees	155,047	8,001	8,829	2,236	2,542	1,836	56,574	30,725	265,790
Dues and subscriptions	20,102	3,217	560	349	209	349	12,866	2,054	39,706
Equipment and software	15,000	2,397	1,200	1,017	624	-	3,408	3,187	26,833
Equipment rental	55,903	-	150	-	-	1,017	1,922	-	58,992
In-kind donations	422,338	11,431	6,417	4,872	973	5,347	65,451	9,313	526,142
Insurance	2,637	429	368	307	184	307	920	2,480	7,632
Other expenses	10	-	-	-	-	-	-	2,067	2,077
Workforce costs	49,172	11,039	4,860	5,064	4,495	5,064	15,425	15,419	110,538
Postage and delivery	2,387	218	168	-	-	-	454	116	3,343
Printing and reproduction	9,445	7,224	548	-	367	-	4,489	-	22,073
Rent expense - film	-	-	1,400	-	-	-	-	-	1,400
Rent expense - office	11,551	1,880	1,612	1,343	806	1,343	4,029	4,298	26,862
Rent expense - venue	31,132	7,000	17,346	-	-	-	10,500	-	65,978
Salary and wages	283,344	65,999	35,519	33,326	35,244	33,326	80,887	57,471	625,116
Special events	34,291	2,204	23,642	-	-	-	51,883	-	112,020
Sponsorships	1,318	-	-	-	-	-	-	-	1,318
Supplies	14,149	453	287	239	144	239	2,090	766	18,367
Taxes and licenses	-	103	-	-	-	-	-	-	103
Telephone and internet	2,448	428	330	275	165	275	826	831	5,578
Training and development	2,078	326	280	233	140	233	699	5,926	9,915
Travel and entertainment	45,961	1,069	1,471	13,506	-	14,762	450	4,255	81,474
Total expenses	<u>\$ 1,218,655</u>	<u>\$ 125,501</u>	<u>\$ 105,359</u>	<u>\$ 84,977</u>	<u>\$ 50,229</u>	<u>\$ 90,908</u>	<u>\$ 325,119</u>	<u>\$ 143,192</u>	<u>\$ 2,143,940</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY  
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 161,606	\$ 136,598
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Operating lease asset amortization	23,315	21,608
(Increase) decrease in operating assets:		
Promises to give	30,327	319,301
Contract assets	16,797	(2,430)
Grants receivable	(145,922)	(368,965)
Prepaid expenses	857	(256)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(15,552)	(40,005)
Accrued payroll and related liabilities	1,462	2,463
Operating lease obligations	(21,815)	(21,608)
Refundable advances	-	(10,000)
Other current liabilities	4,310	-
Contract liabilities	4,364	(86,352)
Net cash provided (used) by operating activities	<u>59,749</u>	<u>(49,646)</u>
Net increase (decrease) in cash	59,749	(49,646)
Cash and cash equivalents at beginning of year	<u>1,203,772</u>	<u>1,253,418</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,263,521</u></u>	<u><u>\$ 1,203,772</u></u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

1) Nature of activities

The New Orleans Film Society (NOFS) is a non-profit organization dedicated to promoting, nurturing, and amplifying diverse voices of filmmakers. NOFS aims to facilitate conversations through film and film related- programming that inspire, educate, challenge, and entertain our audiences.

*New Orleans Film Festival* is an Academy-accredited annual event, featuring more than 150 films, spotlight screenings, panels, and special events over six days, where 90% of the films come from submissions, with a strong emphasis on Southern voices.

*French International Film Festival* is a foreign language festive celebrating Francophone cinema around the world, reflecting New Orleans' deep-rooted connections with French culture.

*Filmmaker Programs* are programs that are dedicated to offering support, mentorship, and resources to Southern Filmmakers, fostering the next generation of storytellers.

*South Summit* is a premier platform convening of local, regional, and national media makers, arts funders, and institutional stakeholders, intended to seed conversations and action around creating, resourcing, and amplifying storytelling through film and media that shapes the perspective of the American South for those both outside and within it.

2) Summary of significant accounting policies

The significant accounting policies followed by NOFS are summarized as follows:

a) Financial statement presentation

The Financial Accounting Standards Board ("FASB") promulgates accounting principles generally accepted in the United States of America and reporting standards for Not-for-Profit entities. The accompanying financial statements have been prepared in accordance with such principles.

b) Net assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor restrictions. Some donor or grantor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. NOFS reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. NOFS reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

2) Summary of significant accounting policies (continued)

c) Cash and cash equivalents

All cash-related items having a maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, from the original maturity date are classified as cash and cash equivalents.

d) Taxes

NOFS is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. NOFS has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. NOFS files Form 990 tax return in the U.S. federal jurisdiction and in various states. NOFS files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

Management of NOFS believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits. With few exceptions, NOFS is not subject to U.S. federal, state and local income tax examinations by tax authorities beyond three years from the filing of those returns.

e) Functional expenses

The costs programs 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 program and supporting services benefited. Where practicable, expenses are directly classified to specific program or supporting service categories. Costs that are not specifically identifiable within functional categories are classified using allocation methods. Allocated costs and methods include occupancy, software, hardware, subscriptions, supplies, insurance, salaries, payroll taxes, and employee benefits allocated based on time and effort.

f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires NOFS to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

g) Concentration of credit risk

Financial instruments that potentially subject NOFS to concentrations of credit risk consist principally of cash deposits. NOFS may at times have cash on deposit at financial institutions that is in excess of federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits. NOFS has not experienced any losses in such accounts. NOFS has no policy requiring collateral or other security to support its deposits.

h) Promises to give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises are recorded when all conditions have been met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Cash or other assets received prior to the condition being met are recorded as refundable advances. Promises to give are written off when deemed uncollectible.

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

2) Summary of significant accounting policies (continued)

i) Fundraising

All expenses associated with the fundraising events are expensed as incurred.

j) Grants receivable and discount on grants receivable

Grants receivable represents amounts due from foundations and other organizations. NOFS receives grant funding from various agencies for administering various programs. Grant receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

k) Donated services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by NOFS.

l) In-kind donations

Noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

m) Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

n) Leases

NOFS leases office space. NOFS determines if an arrangement is a lease at inception. Operating lease assets and liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of minimum lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities. To determine the present value of lease payments, NOFS uses the risk-free interest rate. The lease term includes the initial contractual terms as well as any options to extend the lease when it is reasonably certain that NOFS 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.

o) Accounting standard recently adopted

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by New Orleans Film Society that are subject to the guidance in FASB ASC 326 were promises to give. NOFS adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

p) Geographic concentration

NOFS's operations are concentrated in the Great New Orleans area. As a result, NOFS is subject to geographic concentration risk. Economic and environmental phenomena in the area could have a material impact on NOFS's operating results. Management regularly monitors this risk and has implemented strategies to diversify its operations and mitigate potential negative impacts.

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

2) Summary of significant accounting policies (continued)

q) Revenue and cost recognition

NOFS recognizes donations 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.

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 the sponsorships are recognized when the related performance obligations are met, and the contribution portion is recognized immediately.

NOFS generates revenue through the sale of tickets to its customers, film submission fees and membership fees. Revenue from these sources is recognized over time, as the performances obligations are met. A portion of NOFS'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 NOFS has incurred expenditures in compliance with specific contract or grant provisions.

r) Advertising costs

Advertising costs are expensed as incurred.

3) Net assets with donor restrictions

Net assets with donor restrictions are as follows:

	2024	2023
Subject to expenditure in subsequent periods:		
Ford Foundation	\$ 125,000	\$ -
Private donation	-	500
Perspective Fund	75,000	150,000
John D. and Catherine T. MacArthur Foundation	300,000	-
Total net assets with time restrictions	<u>500,000</u>	<u>150,500</u>
Subject to expenditure for specified purposes:		
New Orleans Tourism and Cultural Fund	171,150	-
Greater New Orleans Foundation	8,000	10,000
Andy Warhol Foundation	50,000	100,000
John Carlo Monti Award	3,500	4,000
Total net assets with specified purposes	<u>232,650</u>	<u>114,000</u>
Total net assets with donor restrictions	<u><u>\$ 732,650</u></u>	<u><u>\$ 264,500</u></u>

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

3) Net assets with donor restrictions (continued)

Net assets released from restrictions are as follows:

	2024	2023
Purpose restrictions satisfied:		
South Arts Professional Development Grant	\$ 1,000	\$ -
Coolidge Corner Theatre Foundation	7,500	-
City of New Orleans	45,000	35,000
Arts Council of New Orleans	14,378	29,376
Private Donation	500	500
Ettinger Foundation	-	5,000
Louisiana Division of the Arts	3,000	-
Performing Arts Readiness Emergency Planning Grant	7,250	-
Perspective Fund	25,000	-
Hollywood Foreign Press Association	-	5,000
John Carlo Monti Award	500	500
Community Foundation of Western North Carolina, Inc.	2,500	4,000
Louisiana Endowment for the Humanities	-	10,000
Louisiana Project Grant	-	3,083
The Hellis Foundation	21,000	21,000
Greater New Orleans Foundation	10,000	10,000
Andy Warhol Foundation	50,000	-
Harrah's Community Support Grant	-	3,000
National Endowment for the Arts	80,000	175,000
New Orleans Tourism and Cultural Fund	56,667	110,000
Baton Rouge Area Foundation	20,000	-
New Orleans Jazz & Heritage	4,500	3,500
Total purpose restrictions satisfied	<u>348,795</u>	<u>414,959</u>
Time restrictions satisfied:		
Ford Foundation	125,000	125,000
Festival	-	4,000
Perspective Fund	75,000	-
Total time restrictions satisfied	<u>200,000</u>	<u>129,000</u>
Total net assets released from restrictions	<u>\$ 548,795</u>	<u>\$ 543,959</u>

4) Operating lease

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 June 30, 2024, the remaining lease term for the operating lease was approximately one year. The discount rate for the operating lease was 5.0%.

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

4) Operating lease (continued)

The table below presents certain information related to lease costs for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 25,592	\$ 23,592
Short-term lease cost	-	3,270
Total lease costs	<u>\$ 25,592</u>	<u>\$ 26,862</u>

Maturities of lease liabilities as of June 30, 2024 are as follows:

<u>For the years ending June 30:</u>	<u>Amount</u>
2025	\$ 26,592
2026	13,296
Total	<u>39,888</u>
Less: present value discount	<u>(1,386)</u>
Lease liability	38,502
Less: current portion of lease liability	<u>(25,400)</u>
Long term portion of lease liability	<u>\$ 13,102</u>

5) In-kind donations

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2024</u>	<u>2023</u>
Advertising	\$ 72,380	\$ 82,915
Auction items	20,050	6,670
Prizes	81,000	71,000
Event production	542,613	272,380
Professional services	73,945	81,368
Software	11,830	7,437
Travel	5,802	4,372
	<u>\$ 807,620</u>	<u>\$ 526,142</u>

Donated goods and services are recognized at fair value based on current rates for similar goods and services. Donated auction items are valued at the sales price received during the auction on the day of the event. All gifts-in-kind received during the years ended June 30, 2024 and 2023 were unrestricted.

6) Contract assets and liabilities

NOFS generates revenue through the sale of tickets to its customers, film submission fees and membership fees and other events. NOFS recognizes revenue over time as the performance obligations are met. The portion of receipts for the performance obligation not met creates a contract liability, the portion of revenue for which the performance obligation was met, but not yet collected creates a contract asset.



NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

6) Contract assets and liabilities (continued)

The following table depicts activities from contract assets and contract liabilities for 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contract assets	<u>\$ 12,888</u>	<u>\$ 29,685</u>	<u>\$ 27,255</u>
Contract liabilities	<u>\$ 181,237</u>	<u>\$ 176,873</u>	<u>\$ 263,225</u>

7) Promises to give and credit losses

Unconditional promises to give are estimated as follows:

	<u>2024</u>	<u>2023</u>
Within one year	<u>\$ 15,623</u>	<u>\$ 45,950</u>

8) Grants receivable and discount on grants receivable

Grants receivables are estimated as follows:

	<u>2024</u>	<u>2023</u>
Within one year	\$ 303,345	\$ 243,965
In one to five years	<u>254,150</u>	<u>125,000</u>
	557,495	368,965
Less discount to net present value	<u>(42,608)</u>	<u>-</u>

Grants receivable appear as follows in the statements of financial position:

<u>\$ 514,887</u>	<u>\$ 368,965</u>
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9) Supplemental cash flow disclosures

	<u>2024</u>	<u>2023</u>
Right-of-use assets obtained in exchange for operating lease liabilities	<u>\$ 50,567</u>	<u>\$ 53,928</u>

10) 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:

Cash and cash equivalents	\$ 1,263,516
Contract asset	12,888
Promises to give	15,623
Grants receivable	<u>514,887</u>
	1,806,914
Less: donor restrictions	<u>(732,650)</u>
Total	<u>\$ 1,074,264</u>

NEW ORLEANS FILM SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

11) Subsequent events

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

NEW ORLEANS FILM SOCIETY  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEADS  
For the Year Ended June 30, 2024

SUMMARY OF COMPENSATION

Sarah Escalante  
Executive Director

	<u>2024</u>
Salary	\$ 948
Benefits	-
Phone allowance	600
Travel allowance	<u>922</u>
	<u>\$ 2,470</u>

## GOVERNMENT AUDITING STANDARD REPORT

INDEPENDENT AUDITOR'S 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*

Board of Directors  
New Orleans Film Society  
New Orleans, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New Orleans Film Society (NOFS), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 5, 2024.

**Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result 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.

Metairie, Louisiana  
December 5, 2024

*Wegmann Bazet, APC*

NEW ORLEANS FILM SOCIETY  
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2024

Part I – Summary of Auditor’s Results

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor’s report:                                 | Unmodified    |
| 2. Internal control over financial reporting:                |               |
| a. Material weakness identified?                             | No            |
| b. Significant deficiencies identified?                      | None reported |
| 3. Noncompliance material to the financial statements noted? | No            |

Federal Awards

Not applicable

Part II – Financial Statement Findings

None Noted

Management Letter Comments

None Noted

NEW ORLEANS FILM SOCIETY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024

**SECTION I INTERNAL CONTROL AND COMPLAINE MATERIAL  
TO THE FINANCIAL STATEMENTS**

None Noted

**SECTION II INTERNAL CONTROL AND COMPLAINE MATERIAL  
TO THE FEDERAL AWARDS**

Not applicable

**SECTION III MANAGEMENT LETTER**

None Noted