

NEW ORLEANS FILM SOCIETY

FINANCIAL STATEMENTS

June 30, 2025 and 2024



CONTENTS

	Page(s)
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-15
Supplementary Information	
Schedule of Compensation, Benefits and other payments to Agency Heads	16
Government Auditing Standards 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 <i>Government Auditing Standards</i>	17-18
Summary Schedule of Findings and Responses	19
Summary Schedule of Prior Year Findings	20

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 financial statements of New Orleans Film Society (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 present fairly, in all material respects, the financial position of New Orleans Film Society as of June 30, 2025 and 2024, 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 March 20, 2026, 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
March 20, 2026

Wegmann Dazet

NEW ORLEANS FILM SOCIETY
STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 673,290	\$ 1,263,521
Promises to give	11,541	15,623
Contract assets	595	12,888
Grants receivable, net	403,498	303,345
Prepaid expenses	11,290	10,521
Total current assets	<u>1,100,214</u>	<u>1,605,898</u>
Grants receivable, net	100,000	211,542
Right of use assets - operating, net	<u>12,623</u>	<u>37,002</u>
Total assets	<u><u>\$ 1,212,837</u></u>	<u><u>\$ 1,854,442</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 18,710	\$ 7,030
Accrued payroll and related liabilities	3,901	5,798
Other current liabilities	60	4,927
Contract liabilities	197,090	181,237
Current portion of operating lease obligations	11,000	25,400
Total current liabilities	<u>230,761</u>	<u>224,392</u>
Operating lease obligations, less current portion	<u>2,123</u>	<u>13,102</u>
Total liabilities	<u><u>232,884</u></u>	<u><u>237,494</u></u>
NET ASSETS		
Net assets		
Without donor restrictions		
Undesignated	50,261	554,673
Board designated for operating reserves	362,663	329,625
	<u>412,924</u>	<u>884,298</u>
With donor restrictions	<u>567,029</u>	<u>732,650</u>
Total net assets	<u><u>979,953</u></u>	<u><u>1,616,948</u></u>
Total liabilities and net assets	<u><u>\$ 1,212,837</u></u>	<u><u>\$ 1,854,442</u></u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, support, and grants			
Donations	\$ 66,134	\$ 63,341	\$ 129,475
In-kind donations	697,239	-	697,239
Sponsorships	177,300	-	177,300
Ticket sales	102,309	-	102,309
Submission fees	131,327	-	131,327
Grants	32,361	401,879	434,240
Membership	128,912	-	128,912
Advertising	8,100	-	8,100
Other income	45,479	-	45,479
Net assets released from restrictions	<u>630,841</u>	<u>(630,841)</u>	<u>-</u>
Total revenues, support, and grants	<u>2,020,002</u>	<u>(165,621)</u>	<u>1,854,381</u>
Expenses			
Program services			
New Orleans Film Festival	1,682,862	-	1,682,862
French Film Festival	162,725	-	162,725
Year round programming	47,402	-	47,402
Filmmaker programs	171,894	-	171,894
Supporting services			
General and administrative	206,408	-	206,408
Fundraising	<u>220,085</u>	<u>-</u>	<u>220,085</u>
Total expenses	<u>2,491,376</u>	<u>-</u>	<u>2,491,376</u>
Change in net assets	(471,374)	(165,621)	(636,995)
Net assets			
Beginning of year	<u>884,298</u>	<u>732,650</u>	<u>1,616,948</u>
End of year	<u>\$ 412,924</u>	<u>\$ 567,029</u>	<u>\$ 979,953</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 programming	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	<u>1,190,842</u>	<u>264,500</u>	<u>1,455,342</u>
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 FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	Programming Services				Supporting Services		Total expenses
	New Orleans Film Festival	French Film Festival	Year-round Programming	Filmmaker Programs	Fundraising	General and administrative	
Advertising/marketing	\$ 5,251	\$ 1,735	\$ 35	\$ -	\$ 1,352	\$ 10,000	\$ 18,373
Artistic expenses	36,100	-	150	17,775	-	-	54,025
Bad debt expense	-	-	-	-	9,707	-	9,707
Board development	-	-	-	-	-	127	127
Contract labor fees	84,573	15,736	1,833	2,299	27,558	26,848	158,847
Dues and subscriptions	18,534	1,981	164	3	5,493	2,929	29,104
Equipment and software	13,808	2,780	1,138	3,231	2,989	22,817	46,763
Equipment rental	49,507	-	-	-	-	-	49,507
Film festival expense	24,650	4,025	1,000	-	-	-	29,675
Food and beverage	9,383	447	124	2,746	615	2,960	16,275
In-kind donations	650,422	16,585	-	-	-	30,232	697,239
Insurance	3,459	387	214	563	528	5,768	10,919
Merchandise	3,847	-	-	-	-	-	3,847
Other expenses	89	-	-	231	34	2,449	2,803
Payroll taxes	94,042	18,079	7,345	23,903	24,658	15,070	183,097
Postage and delivery	2,039	71	-	-	-	280	2,390
Printing and reproduction	6,139	1,940	-	-	-	63	8,142
Rent expense - office	9,643	2,194	1,197	3,191	2,992	7,575	26,792
Rent expense - venue	67,303	6,000	1,000	500	-	-	74,803
Salary and wages	499,675	87,218	32,159	102,840	119,458	72,973	914,323
Signage	6,898	192	-	-	1,094	-	8,184
Special events	46,798	1,493	-	224	21,593	-	70,108
Stipend	22,879	-	-	2,400	-	-	25,279
Supplies	8,979	597	269	183	251	427	10,706
Training and development	1,020	-	-	750	-	2,463	4,233
Travel and entertainment	13,231	100	173	9,361	175	131	23,171
Utilities	4,593	1,165	601	1,694	1,588	3,296	12,937
Total expenses	\$ 1,682,862	\$ 162,725	\$ 47,402	\$ 171,894	\$ 220,085	\$ 206,408	\$ 2,491,376

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 expenses	57,475	-	333	38,450	5,200	-	-	101,458
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	\$ 1,521,159	\$ 136,654	\$ 84,167	\$ 171,929	\$ 93,530	\$ 325,983	\$ 156,946	\$ 2,490,368

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (636,995)	\$ 161,606
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Operating lease asset amortization	24,379	23,315
(Increase) decrease in operating assets:		
Promises to give	4,082	30,327
Contract assets	12,293	16,797
Grants receivable	11,389	(145,922)
Prepaid expenses	(769)	857
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	11,680	(15,552)
Accrued payroll and related liabilities	(1,897)	1,462
Operating lease obligations	(25,379)	(21,815)
Other current liabilities	(4,867)	4,310
Contract liabilities	15,853	4,364
Net cash (used) provided by operating activities	<u>(590,231)</u>	<u>59,749</u>
Net (decrease) increase in cash	(590,231)	59,749
Cash and cash equivalents at beginning of year	<u>1,263,521</u>	<u>1,203,772</u>
Cash and cash equivalents at end of year	<u>\$ 673,290</u>	<u>\$ 1,263,521</u>

See accompanying Notes to Financial Statements.

NEW ORLEANS FILM SOCIETY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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, 2025 and 2024

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 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, 2025 and 2024

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 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

NOFS has elected to assume that current conditions persist for promises to give and grants receivable for purposes of estimating current expected credit losses as permitted by FASB ASC 326-20-30-10C.

p) Geographic concentration

NOFS's operations are concentrated in the Greater 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.

q) Revenue 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.

NEW ORLEANS FILM SOCIETY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

2) Summary of significant accounting policies (continued)

q) Revenue and cost recognition (continued)

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. 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.

r) Advertising costs

Advertising costs are expensed as incurred.

3) Net assets with donor restrictions

Net assets with donor restrictions are as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purposes:		
New Orleans Film Festival	\$ 197,650	\$ 232,650
French Film Festival	12,000	-
Filmmaker program	7,379	-
Total purpose restricted satisfied	<u>217,029</u>	<u>232,650</u>
Subject to expenditure in subsequent periods	<u>350,000</u>	<u>500,000</u>
Total net assets with donor restrictions	<u>\$ 567,029</u>	<u>\$ 732,650</u>

Net assets released from restrictions are as follows:

	<u>2025</u>	<u>2024</u>
Purpose restrictions satisfied by program:		
New Orleans Film Festival	\$ 259,341	\$ 235,916
French Film Festival	18,000	16,879
Filmmaker programs	25,000	50,000
South Summit	-	10,000
Fundraising	30,500	-
Various programs	98,000	36,000
Total net assets with specified purposes	<u>430,841</u>	<u>348,795</u>
Time restrictions satisfied	<u>200,000</u>	<u>200,000</u>
Total net assets released from restrictions	<u>\$ 630,841</u>	<u>\$ 548,795</u>

NEW ORLEANS FILM SOCIETY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

4) Operating lease

The Organization 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, 2025, the remaining lease term for the operating lease was approximately less than one year. The discount rate for the operating lease was 5.0%.

The table below presents certain information related to lease costs for the years ended June 30, 2025 and 2024:

	2025	2024
Operating lease cost	\$ 25,592	\$ 25,592

Maturities of lease obligations as of June 30, 2025 are as follows:

For the year ending June 30:	Amount
2026	\$ 13,296
Less: present value discount	(173)
Lease obligation	13,123
Less: current portion of lease obligation	(11,000)
Long term portion of lease obligation	\$ 2,123

5) Contract assets and liabilities

The following table depicts activities from contract assets and contract liabilities for 2025, 2024, and 2023:

	2025	2024	2023
Contract assets	\$ 595	\$ 12,888	\$ 29,685
Contract liabilities	\$ 197,090	\$ 181,237	\$ 176,873

6) 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	\$ 673,290
Contract assets	595
Promises to give	11,541
Grants receivable	415,745
	1,101,171
Less: donor restrictions	(567,029)
Total	\$ 534,142

NEW ORLEANS FILM SOCIETY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

7) Grants receivable and discount on grants receivable

Grants receivables are estimated as follows:

	2025	2024
Within one year	\$ 415,745	\$ 303,345
In one to five years	100,000	254,150
	515,745	557,495
Less discount to net present value	(12,247)	(42,608)

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

	\$ 503,498	\$ 514,887
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8) Promises to give

Unconditional promises to give are estimated as follows:

	2025	2024
Within one year	\$ 11,541	\$ 15,623

9) In-kind donations

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included the following:

	2025	2024
Advertising	\$ 51,147	\$ 72,380
Auction items	-	20,050
Prizes	78,300	81,000
Event production	424,087	542,613
Professional services	88,492	73,945
Software	25,620	11,830
Travel	29,593	5,802
	\$ 697,239	\$ 807,620

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, 2025 and 2024 were unrestricted.

10) Supplemental cash flow disclosures

	2025	2024
Right-of-use assets obtained in exchange for operating lease obligations	\$ -	\$ 50,567

NEW ORLEANS FILM SOCIETY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

11) Subsequent events

Management has evaluated subsequent events through the date of the independent 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, 2025

SUMMARY OF COMPENSATION

Sarah Escalante
Executive Director

	<u>2025</u>
Salary	\$ 9,909
Benefits	-
Phone allowance	-
Travel allowance	-
	<u>\$ 9,909</u>

Carroll Morton
Executive Director

	<u>2025</u>
Salary	\$ 7,373
Benefits	-
Phone allowance	-
Travel allowance	-
	<u>\$ 7,373</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, 2025, 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 March 20, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

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
March 20, 2026

Wegmann Dazet

NEW ORLEANS FILM SOCIETY
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of reported issued on the financial statements: **Unmodified Opinion.**

Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes.**
Material weaknesses: **No.**

Noncompliance which is material to the financial statements: **No.**

A management letter was issued: **Yes.**

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-001: Compliance with Annual Filing Deadline

Condition:

The audit report for the year ended June 30, 2025 was not submitted within six (6) months after year end as required by state law.

Criteria:

Louisiana Revised Statute 24:513 requires that all engagements be completed and transmitted to the legislative auditor within six months of the close of the auditee’s fiscal year.

Cause:

The Organization did not file its report for June 30, 2025 within six months of the end of its fiscal year due to significant changes in personnel within upper management during the fiscal year end.

Effect:

The Organization is not in compliance with the state law governing the completion and submission of audit reports due to the non-emergency extension through March 31, 2026.

Recommendation:

We recommend that management be cognizant of this deadline in the future and make every effort to comply.

View of responsible officials:

The Organization will continue to make every effort to comply with this law. They endured significant changes in personnel within upper management during the year ended June 30, 2025. The organization was granted a three month extension by the LLA.

SECTION III – FEDERAL AWARD FINDINGS

There were no items identified in the course of our testing during the current year required to be reported.

NEW ORLEANS FILM SOCIETY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

**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