

**NEW ORLEANS TOURISM AND CULTURAL
FOUNDATION**

(A Component Unit of the City of New Orleans)

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2025

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Sean M. Bruno
Certified Public Accountants, LLC

Member
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the **New Orleans Tourism and Cultural Foundation (NOTCF)**, **(a nonprofit organization)** which comprise the statement of financial position as of December 31, 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of **NOTCF** as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of **NOTCF** and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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.

INDEPENDENT AUDITOR'S REPORT **(CONTINUED)**

Responsibilities of Management for the Financial Statements, Continued

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 NOTCF's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my 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*, I:

- 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 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 NOTCF'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NOTCF's ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Auditor's Responsibility for the Audit of the Financial Statements, Continued

I am 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 I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other payments and Budgetary Comparison Schedule on pages 17 and 18 respectively is presented for purposes of additional analysis and is not 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 my 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*, I have also issued my report dated May 7, 2026, on my consideration of NOTCF's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 NOTCF's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NOTCF's internal control over financial reporting and compliance.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

May 7, 2026

NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
(A Component Unit of the City of New Orleans)
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,523,995
Hotel occupancy privilege tax receivable (NOTE 8)	1,271,756
Casino City Lease contribution receivable (NOTE8)	1,000,000
Other receivables	450
Prepaid expenses	<u>20,951</u>

Total current assets 5,817,152

Other Asset:

Operating lease right-of-use asset	<u>172,462</u>
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Total assets \$ 5,989,614

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 48,968
Current portion of operating lease liability	<u>58,334</u>

Total current liabilities 107,302

Noncurrent Liabilities:

Compensated absences	73,895
Operating lease liability, net of current portion	<u>106,387</u>

Total noncurrent liabilities 180,282

Total liabilities 287,584

Net Assets (NOTE 2):

Without donor restriction	<u>5,702,030</u>
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Total net assets 5,702,030

Total liabilities and net assets \$ 5,989,614

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

NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
(A Component Unit of the City of New Orleans)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Without Donor Restrictions</u>
Revenue and Support:	
Occupancy privilege tax (net of collection fees)	\$ 5,139,840
Casino City Lease Contribution	1,000,000
NOTCF Gala	80,214
Investment earnings	70,792
Other Donations	<u>6,519</u>
Total revenue and support	<u>6,297,365</u>
Expenses: (NOTE 2)	
Program services	6,134,677
Support services	891,806
Fundraising	<u>10,000</u>
Total expenses	<u>7,036,483</u>
Changes in net assets	(739,118)
Net Assets:	
Beginning of year	<u>6,441,148</u>
End of year	<u>\$ 5,702,030</u>

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

NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Fundraising	Total
Compensation and related expenses	\$ 349,579	\$ 526,049	\$ -	\$ 875,628
Cultural Economy Mini-Grants Awarded	705,644	-	-	705,644
Cultural Economy Level 2 Grants Awarded	783,279	-	-	783,279
Cultural Economy Level 3 Grants Awarded	2,252,642	-	-	2,252,642
Cultural Economy Programming Other	180,489	144,868	-	325,357
NOLA X NOLA Grants	200,000	-	-	200,000
Super Bowl LXIV Host Committee Sponsorship	250,000	-	-	250,000
Essence Festival Sponsorship	367,707	-	-	367,707
Dedicated Expenses	450,000	-	-	450,000
Marketing Expenses	263,156	-	-	263,156
NOTCF Honors Gala	247,121	-	10,000	257,121
Bank Charges	-	2,346	-	2,346
Training	-	6,885	-	6,885
Parking	-	24,846	-	24,846
Rent	-	13,588	-	13,588
Office Expense	-	161,116	-	161,116
Right of Use Lease Expense	48,851	-	-	48,851
Interest	137	-	-	137
Insurance	-	12,108	-	12,108
Other	36,072	-	-	36,072
	<u>\$ 6,134,677</u>	<u>\$ 891,806</u>	<u>\$ 10,000</u>	<u>\$ 7,036,483</u>

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

NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (739,118)
Adjustments to reconcile changes in net assets provided by (used in) operating activities:	
Depreciation and Amortization	48,850
Forgiveness of loan	
Decrease in prepaid expenses	20,647
Changes in assets and liabilities:	
Increase in receivables	(938,365)
Decrease in account payable	(14,572)
Increase in Compensated Absences	36,072
Short-term debt	1,742
Net provided by (used in) operating activities	<u>(1,584,744)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Increase in operating lease liability	<u>(58,334)</u>
Net cash provided by (used in) financing activities	<u>(58,334)</u>

NET INCREASE (DECREASE) IN CASH (1,643,078)

CASH AND RESTRICTED CASH, Beginning of year 5,167,073

CASH AND RESTRICTED CASH, End of year \$ 3,523,995

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Interest paid \$ 137

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

**New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION:

New Orleans Tourism and Cultural Foundation (NOTCF)'s mission is to support cultural industries and culture bearers of the City of New Orleans through partnerships, grants, and programs to advance sustainable tourism. The Hotel Occupancy Taxes have served as **NOTCF**'s primary source of revenue for the past three years. Understanding economic downturns and natural disasters have the potential to negatively impact our operations, **NOTCF** wanted to diversify its income sources. In 2023, **NOTCF** was approved for the 501(c)(3) nonprofit designation by the Internal Revenue Service. With this designation, **NOTCF** will have the ability to apply for governmental and private grants as well as seek tax deductible donations from members of the community. Diversifying our revenues will build stability, resilience and create growth opportunities for **NOTCF** and the community we serve.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Basis Presentation

For the year ended December 31, 2025, **NOTCF** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources.

A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

At December 31, 2025, **NOTCF** did not have any Net Assets With Donor Restrictions.

Accounts Receivable

Accounts receivable is carried at their estimated collectible amounts. There was no allowance for doubtful accounts as of December 31, 2025.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Property and Equipment

Property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. **NOTCF** maintains a threshold level of \$5,000 or more for capitalizing property and equipment. Property and equipment are depreciated using the straight-line method over three (3) to five (5) years estimated useful lives.

Compensated Absences

Unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from employment. **NOTCF** is not obligated to pay for unused sick leave if an employee terminates prior to retirement. **NOTCF** accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee.

Fair Value

NOTCF adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **NOTCF** to maximize the use of observable marked input, minimize the use of unobservable marked inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject **NOTCF** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At December 31, 2025, **NOTCF** had cash and cash equivalents in the checking bank account totaling \$3,523,995.

The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2025, **NOTCF's** cash balances are insured by the FDIC and pledged securities held by the financial institution.

NOTE 4 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820 fair value is defined as the price that **NOTCF** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **NOTCF's** assets or liabilities. The inputs are summarized in the three broad levels listed below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - FAIR VALUE MEASUREMENTS OF
FINANCIAL ASSETS AND LIABILITIES, CONTINUED:

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **NOTCF's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

The following table summarizes the valuation of **NOTCF's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of December 31, 2025 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 3,523,995	\$ 3,523,995
Prepaid expenses	\$ 20,591	\$ 20,591

NOTE 5 - CONCENTRATION OF FUNDING:

NOTCF is the recipient of grant funds from various sources. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of **NOTCF** and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of funding source may be subject to recapture.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - INCOME TAXES:

NOTCF is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **NOTCF's** tax status be challenged in the future, the 2022, 2023 and 2024 tax years are open for examination by the IRS. According to **NOTCF's** 501(c)(3) status, **NOTCF** is not required to file an annual Federal informational return (IRS Form 990).

NOTE 7 - LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of cash and cash equivalents totaling \$3,523,995. Management has a goal to maintain sufficient financial resources on hand to meet sixty (60) days of normal operating expenses. As part of **NOTCF's** liquidity management plan, **NOTCF** invests cash in excess of daily requirements in short-term investments.

NOTE 8 - REVENUES OF NEW ORLEANS TOURISM AND CULTURAL FOUNDATION:

The recurring major sources of revenue are hotel occupancy privilege tax, hotel tax, casino funding and other revenue as discussed below:

Hotel Occupancy Privilege Tax - The Hotel Occupancy Privilege Tax (effective November 1, 1990) is levied upon persons for the privilege of occupying hotel rooms within Orleans Parish in the amount of fifty cents (\$0.50) per occupied hotel room per night for hotels containing from three (3) to two hundred and ninety-nine (299) rooms and one dollar(\$1.00) per occupied hotel room per night for hotels containing three hundred (300) or more rooms.

Every hotel operator subject to this tax shall make reports on the previous month's business on or before the twentieth day of the following month to the City of New Orleans.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - REVENUES OF NEW ORLEANS TOURISM AND CULTURAL FOUNDATION, CONTINUED:

Hotel Occupancy Privilege Tax, Continued

The imposition and collection of the Hotel Occupancy Privilege Tax shall be repealed and discontinued upon the occurrence of any of the following:

- o The disposition or liquidation of NOTCF; or
- o The specific decertification of NOTCF as a nonprofit economic development corporation by the New Orleans City Council.

For the year ended December 31, 2025, NOTCF collected \$5,139,840 (net of collection fees) from the Hotel Occupancy Privilege Tax.

Casino City Lease Agreement - According to the lease agreement among the City of New Orleans (the City), the Rivergate Development Corporation and the Jazz Casino Company (the Casino), the Casino is required to make an annual contribution of \$1,000,000 to the destination marketing program of the City for the joint benefit of the City and the Casino in order to promote the City and the Casino as destinations. The City has utilized NOTCF to conduct the destination marketing program on behalf of the City.

NOTE 9 - RELATED PARTY TRANSACTIONS:

There were no related party transactions at December 31, 2025.

NOTE 10 - RISK MANAGEMENT:

NOTCF is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets for which NOTCF carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 11 - BOARD OF DIRECTORS COMPENSATION:

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended December 31, 2025.

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - OPERATING LEASE:

In August 2021, NOTCF entered into an agreement to occupy office space under a non cancellable operating lease. The term of the lease was for a five (5) year period ending October 31, 2026. In November 2023, NOTCF entered into an amended agreement extending the lease term through September 30, 2028. The lease calls for monthly installments of \$4,833, \$4,978, and \$5,127 in lease years 2026, 2027 and 2028, respectively.

Amortization of operating lease costs for this facility was \$26,307 for the year ended December 31, 2025 and are included in lease amortization expense in the statement of functional expenses.

The following is a maturity analysis of the annual discounted cash flows of the operating lease liability as of December 31, 2025:

Fiscal Year Ending	
December 31,	
2026	58,431
2027	60,184
2028	<u>46,146</u>
Total Lease payments/lease liability	<u>\$ 164,761</u>

The remaining lease term (in months) and discount rates for the above-mentioned lease were as follows for the year ended December 31, 2026:

Remaining lease term	33 Months
Discount rate	.07

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 13 - CONTINGENCY:

As provided by an agreement for services and a cooperative endeavor agreement between the Regional Transit Authority (RTA) and New Orleans Tourism and Marketing Corporation (NOTMC) (NOTCF's predecessor), RTA would remit to NOTMC a portion of the general sales and use tax applied to hotels in Orleans Parish. According to the CEA, NOTMC would remit 50% of those receipts to the Convention Center.

By a letter dated February 12, 2019, the Regional Transit Authority (the "RTA") advised NOTCF that the RTA (1) believed the Agreement for Services and Cooperative Economic Endeavor by and between the Regional Transit Authority and the NOTMC was unconstitutional, (2) would cease any further payments to the Company pursuant to the Agreement and (3) requested a refund of prior payments. Shortly after NOTMC received the letter from the RTA, third and fourth quarter 2018 payments were issued to NOTMC by RTA. The amounts remitted reflected only the portion due to NOTMC.

In a letter dated August 9, 2019, the Convention Center requested payment from NOTCF of one half of the RTA Hotel Tax payment received by NOTMC from the RTA with respect to the third and fourth quarter of 2018.

In April 2022, NOTCF advised the Convention Center and RTA, in writing, that NOTCF will continue to hold the RTA Payment in its operating account and will not spend the RTA Payment until the Convention Center and the RTA deliver joint written instructions to the NOTCF as to the disposition of the RTA Payment.

NOTE 14 - SUBSEQUENT EVENTS:

NOTCF is required to evaluate events or transactions that may occur after the statement of net position date for potential recognition or disclosure in the financial statements. **NOTCF** performed such an evaluation through May 7, 2026, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of net position date requiring disclosure.

SUPPLEMENTARY INFORMATION

New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER (STATEMENT C)
FOR THE YEAR ENDED DECEMBER 31, 2025

President & Chief Executive Officer: Ms. Lisa Alexis

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 215,417
Benefits-insurance	15,247
Benefits-retirements	15,040
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements	2,302
Travel	6,393
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Board incentive Bonus	32,313

Act 706 of the 2014 Legislative Session requires the disclosure of the total compensation, reimbursement, benefits, and other payments made to the agency head, political subdivision head or Chief executive officer, related to the position; including but not limited to travel housing, unvouchered expenses (such as travel advances) per diem, and registration fees.

NEW ORLEANS TOURISM AND CULTURAL FUND
(A Component Unit of the City of New Orleans)
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
SUPPORT AND REVENUES:				
Occupancy privilege tax (net of collection fees)	\$ 5,260,000	\$ 5,260,000	\$ 5,139,840	\$ (120,160)
Casino City lease	1,000,000	1,000,000	1,000,000	-
NOTCF Gala	175,000	175,000	80,214	(94,786)
Other Donations			6,519	6,519
Investment earnings	<u>50,000</u>	<u>50,000</u>	<u>70,792</u>	<u>20,792</u>
Total revenues	<u>6,485,000</u>	<u>6,485,000</u>	<u>6,297,365</u>	<u>(187,635)</u>
EXPENSES:				
Mayor's Office of Tourism and Arts	150,000	150,000	150,000	-
Music Commission	150,000	150,000	150,000	-
Film Commission	150,000	150,000	150,000	-
Essence Fest	367,707	367,707	367,707	-
Superbowl Host Committee	250,000	250,000	250,000	-
Marketing expenses	344,000	344,000	263,156	80,844
NOTCF Honors Gala	275,000	275,000	257,121	17,879
Cultural economy support	6,086,351	6,086,351	4,616,499	1,469,852
Administrative	<u>780,099</u>	<u>780,099</u>	<u>832,000</u>	<u>(51,901)</u>
Total expenses	<u>8,553,157</u>	<u>8,553,157</u>	<u>7,036,483</u>	<u>1,516,674</u>
Net change in net assets	(2,068,157)	(2,068,157)	(739,118)	1,329,039
Net assets, beginning of year	<u>6,441,148</u>	<u>6,441,148</u>	<u>6,441,148</u>	<u>-</u>
Net assets, end of year	<u>\$ 4,372,991</u>	<u>\$ 4,372,991</u>	<u>\$ 5,702,030</u>	<u>\$ -</u>

Sean M. Bruno
Certified Public Accountants, LLC

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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*

To the Board of Directors
New Orleans Tourism and Cultural Foundation
(A Component Unit of the City of New Orleans)
New Orleans, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **New Orleans Tourism and Cultural Foundation (A Component Unit of the City of New Orleans)** (a nonprofit organization) which comprise the statement of financial position as of December 31, 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 my report thereon dated May 7, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **NOTCF's** internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **NOTCF's** internal control. Accordingly, I do not express an opinion on the effectiveness of **NOTCF's** internal control.

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*

(CONTINUED)

Report on Internal Control Over Financial Reporting, Continued

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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NOTCF's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

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*

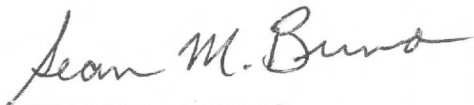
(CONTINUED)

NOTCF's response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on NOTCF's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. NOTCF's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

May 7, 2026

**NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

SECTION I SUMMARY OF INDEPENDENT AUDITORS' REPORT

1. The independent auditors' report expresses an unmodified opinion on the financial statements of **NOTCF**.
2. No significant deficiencies in internal control relating to the audit of the financial statements were reported in the 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*.
3. No instance of noncompliance material to the financial statements of **NOTCF** was reported in the 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*.
4. No management letter was issued for the year ended December 31, 2025.

SECTION II FINANCIAL STATEMENT FINDING

None Noted

SECTION III INTERNAL CONTROL OVER COMPLIANCE FINDING

None noted.

**NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

None Noted

**NEW ORLEANS TOURISM AND CULTURAL FOUNDATION
(A COMPONENT UNIT OF THE CITY OF NEW ORLEANS)
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

None Noted.

**NEW ORLEANS TOURISM AND
CULTURAL FOUNDATION**

Statewide Agreed-Upon Procedures
(R.S. 24:513) Report

FOR THE YEAR ENDED
DECEMBER 31, 2025

Sean M. Bruno
Certified Public Accountants, LLC

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors of New Orleans Tourism and Cultural
Foundation and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. New Orleans Tourism and Cultural Foundation's (NOTCF) management is responsible for those C/C areas identified in the SAUPs.

NOTCF has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. 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:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

- iii. ***Disbursements***, including processing, reviewing, and approving.
- iv. ***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).
- v. ***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.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***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).
- ix. ***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.
- x. ***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.
- xi. ***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.

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

Results of Procedures: No Exceptions Noted.

2) Board or Finance Committee

- A. 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
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance meetings held during the fiscal year and observe whether the minutes from at least one meeting each month observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, 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.*
 - iii. 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.
 - iv. 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.

Results of Procedures: No Exceptions Noted.

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

3) *Bank Reconciliations*

- A. 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:
- i. 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);
 - ii. 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 within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. 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.

Results of Procedures: No Exceptions Noted.

4) *Collections (excluding electronic funds transfers)*

- A. 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).
- B. 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
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. 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;

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

- iii. 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; and
- iv. 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 also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results of Procedures: No Exceptions Noted.

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

Results of Procedures: No Exceptions were Noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results of Procedures: *No Exceptions were Noted.*

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

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

- A. 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).
- B. For each location selected under procedure #5A 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
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. 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.

Results of Procedures: N/A, Procedure was not tested due to 2 year testing cycle, Approved by the LLA.

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

- C. For each location selected under procedure #5A 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
- i. 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, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results of Procedures: *No Exceptions were Noted.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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.

Results of Procedures: *No Exceptions were Noted.*

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

- A. 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.
- B. 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
- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

- ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in payroll and personnel procedure #9C, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results of Procedures: *No Exceptions were Noted.*

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

- A. 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 and 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
 - i. 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

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

Results of Procedures: No Exceptions were Noted.

8) Contracts

- A. 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. *Alternatively, 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
 - i. 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;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Procedures: No Exceptions were Noted.

9) Payroll and Personnel

- A. 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of Procedures: No Exceptions were Noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. 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
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results of Procedures: N/A. The NOTCF is a nonprofit organization and not subject to this requirement.

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

11) Debt Service

- A. 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.

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

Results of Procedures: Not applicable. The NOTCF has no debt issued or outstanding.

12) Fraud Notice

- A. 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.

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

Results of Procedures: No exceptions were noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. 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.

 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

that its backups can be restored (if there is 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.

- iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results of Procedures: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.
- B. 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).
- C. 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:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results of Procedures: N/A. The NOTCF is a nonprofit organization and not subject to this requirement.

INDEPENDENT ACCOUNTANT'S REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

We were engaged by NOTCF 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 NOTCF 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.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

May 11, 2026