

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

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019



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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the accompanying consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation (both nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation, as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including

omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, 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 consolidated financial statements as a whole. The 2020 and 2019 consolidating statements of financial position, the consolidating statements of activities and the consolidating statements of functional expenses on pages 18 - 23 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2021 on our consideration of Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater New Orleans, Inc.'s and its affiliate, Greater New Orleans Development Foundation, internal control over financial reporting and compliance.

June 29, 2021  
Metairie, Louisiana

*Wegmann Bazet & Co*

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

December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,029,230	\$ 2,241,173
Accounts receivable, net of allowance	1,053,940	1,711,989
Other current assets	20,187	38,380
Total current assets	4,103,357	3,991,542
Property and equipment, at cost less accumulated depreciation	46,036	58,851
Investments	85,558	-
Other noncurrent assets	3,261	12,050
Total assets	\$ 4,238,212	\$ 4,062,443
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 49,133	\$ 37,446
Accrued payroll liabilities	339,204	221,757
Other current liabilities	292,718	278,636
Total current liabilities	681,055	537,839
<b>NET ASSETS</b>		
Net assets		
Without donor restrictions	3,115,077	3,146,378
With donor restrictions	442,080	378,226
Total net assets	3,557,157	3,524,604
Total liabilities and net assets	\$ 4,238,212	\$ 4,062,443

See accompanying Notes to Consolidated Financial Statements.

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

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Investor contributions	\$ 2,524,886	\$ -	\$ 2,524,886
Sponsorship	167,500	-	167,500
Grants	790,156	1,438,676	2,228,832
Management fees	168,790	-	168,790
Interest income	7,066	-	7,066
Other income	268,293	-	268,293
Net assets released from restrictions	1,374,822	(1,374,822)	-
	5,301,513	63,854	5,365,367
Expenses			
Program services			
Grants	1,266,088	-	1,266,088
Initiatives	235,781	-	235,781
Public	241,630	-	241,630
Business development	530,061	-	530,061
Communications	177,379	-	177,379
Supporting services			
General and administrative	2,881,875	-	2,881,875
	5,332,814	-	5,332,814
Change in net assets	(31,301)	63,854	32,553
Net assets			
Beginning of year	3,146,378	378,226	3,524,604
End of year	\$ 3,115,077	\$ 442,080	\$ 3,557,157

See accompanying Notes to Consolidated Financial Statements.

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

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Investor contributions	\$ 2,731,664	\$ -	\$ 2,731,664
Sponsorship	644,300	-	644,300
Grants	620,091	1,165,442	1,785,533
Management fees	101,600	-	101,600
Interest income	6,648	-	6,648
Other income	356,430	-	356,430
Net assets released from restrictions	1,370,444	(1,370,444)	-
	5,831,177	(205,002)	5,626,175
Total revenues			
Expenses			
Program services			
Grants	1,247,442	-	1,247,442
Initiatives	546,546	-	546,546
External affairs	746	-	746
Public	215,618	-	215,618
Business development	907,531	-	907,531
Communications	213,589	-	213,589
Supporting services			
General and administrative	2,489,435	-	2,489,435
	5,620,907	-	5,620,907
Total expenses			
Change in net assets	210,270	(205,002)	5,268
Net assets			
Beginning of year	2,936,108	583,228	3,519,336
End of year	\$ 3,146,378	\$ 378,226	\$ 3,524,604

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services					General and Administrative	Total Expenses
	Grants	Initiatives	Public	Business Development	Communications		
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 568,500	\$ 568,500
Bank service charge	-	-	-	-	-	1,449	1,449
Consultants	254,118	90,000	66,250	123,584	-	259,923	793,875
Development	31,046	15,918	3,683	5,158	-	8,838	64,643
Depreciation	-	-	-	-	-	26,626	26,626
Dues and subscriptions	35,662	-	736	6,934	-	47,056	90,388
Grants	111,200	-	-	-	-	-	111,200
Grant administration	481,452	-	-	-	-	(269,936)	211,516
Insurance	-	-	(2,689)	(14,925)	(4,184)	134,734	112,936
Indirect overhead	203,514	-	-	-	-	(203,514)	-
Marketing	93,890	-	-	31	-	177,101	271,022
Meetings and events	3,278	117,885	3,616	2,765	-	18,946	146,490
Merchant credit card fees	-	-	-	75	-	5,096	5,171
Payroll service fees	-	-	-	-	-	28,445	28,445
Payroll taxes	-	-	11,524	35,059	12,761	79,419	138,763
Postage and delivery	-	-	-	123	-	1,152	1,275
Printing and reproduction	527	2,425	150	201	-	2,891	6,194
Professional services	-	-	-	-	-	16,895	16,895
Public relations	9,350	-	-	-	-	-	9,350
Rent expense	-	-	-	35,597	-	179,595	215,192
Repairs and maintenance	-	-	-	-	-	4,811	4,811
Salary and wages	-	-	152,083	317,776	168,802	1,546,100	2,184,761
Service awards	3,498	8,719	-	454	-	1,378	14,049
Storage	-	-	-	-	-	4,133	4,133
Supplies	-	220	16	369	-	5,925	6,530
Training and development	-	-	-	349	-	-	349
Technology	6,703	75	-	199	-	34,157	41,134
Telephone	-	-	100	3,498	-	25,161	28,759
Travel, meals and entertainment	9,172	214	6,161	12,814	-	67,799	96,160
Website development	22,678	325	-	-	-	33,275	56,278
401K contributions	-	-	-	-	-	75,920	75,920
<b>Total expenses</b>	<b>\$ 1,266,088</b>	<b>\$ 235,781</b>	<b>\$ 241,630</b>	<b>\$ 530,061</b>	<b>\$ 177,379</b>	<b>\$ 2,881,875</b>	<b>\$ 5,332,814</b>

See accompanying Notes to Consolidated Financial Statements.



GREATER NEW ORLEANS, INC., AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Program Services						General and Administrative	Total Expenses
	Grants	Initiatives	Public	Business Development	Communications	External Affairs		
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,350	\$ 177,350
Bank service charge	-	-	-	-	-	-	2,168	2,168
Consultants	286,162	52,000	80,646	244,000	-	-	127,580	790,388
Development	55,586	20,686	5,000	16,518	-	-	19,586	117,376
Depreciation	-	-	-	-	-	-	45,552	45,552
Dues and subscriptions	30,176	-	644	5,925	-	-	27,762	64,507
Grant administration	348,109	-	-	-	-	-	(247,788)	100,321
Insurance	-	2,063	(1,589)	(14,752)	(3,954)	-	132,389	114,157
Indirect overhead	274,992	-	-	-	-	-	(274,992)	-
Marketing	38,529	2,685	-	793	-	-	175,001	217,008
Meetings and events	50,491	250,797	3,166	37,615	-	-	44,721	386,790
Merchant credit card fees	-	313	-	-	-	-	4,758	5,071
Payroll service fees	-	-	-	-	-	-	28,223	28,223
Payroll taxes	-	-	7,850	37,159	15,408	-	83,030	143,447
Postage and delivery	84	25	-	432	-	-	1,509	2,050
Printing and reproduction	4,147	18,164	-	804	135	-	13,346	36,596
Professional services	-	4,380	-	-	-	-	18,997	23,377
Public relations	9,350	-	-	-	-	-	-	9,350
Rent expense	-	-	-	48,392	-	-	197,687	246,079
Repairs and maintenance	-	-	-	-	-	-	4,082	4,082
Salary and wages	-	-	105,000	414,284	202,000	-	1,575,793	2,297,077
Service awards	188	32,538	-	696	-	-	5,730	39,152
Storage	-	-	-	-	-	-	6,899	6,899
Supplies	122	1,890	-	1,260	-	-	8,296	11,568
Training and development	4,395	-	-	349	-	-	2,949	7,693
Technology	267	768	-	595	-	-	36,602	38,232
Telephone	-	-	-	4,819	-	-	28,769	33,588
Travel, meals and entertainment	29,772	148,237	14,901	108,595	-	746	160,403	462,654
Website development	115,072	12,000	-	47	-	-	7,822	134,941
401K contributions	-	-	-	-	-	-	75,211	75,211
<b>Total expenses</b>	<b>\$ 1,247,442</b>	<b>\$ 546,546</b>	<b>\$ 215,618</b>	<b>\$ 907,531</b>	<b>\$ 213,589</b>	<b>\$ 746</b>	<b>\$ 2,489,435</b>	<b>\$ 5,620,907</b>

See accompanying Notes to Consolidated Financial Statements.

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

For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 32,553	\$ 5,268
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	26,626	45,552
Provision for bad debts	385,500	(58,601)
Net unrealized gain on investments	(5,199)	-
(Increase) decrease in operating assets:		
Accounts receivables	272,549	(186,031)
Other current assets	18,193	39,250
Other noncurrent assets	8,789	(923)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued payroll liabilities	129,134	(157,603)
Other current liabilities	14,082	159,510
Net cash provided (used) by operating activities	<u>882,227</u>	<u>(153,578)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(13,811)	(18,692)
Purchase of investments	(77,000)	-
Net reinvestment of realized investment return	(3,359)	-
Net cash used by investing activities	<u>(94,170)</u>	<u>(18,692)</u>
Net increase (decrease)	788,057	(172,270)
Cash and cash equivalents at beginning of year	<u>2,241,173</u>	<u>2,413,443</u>
Cash and cash equivalents at end of year	<u>\$ 3,029,230</u>	<u>\$ 2,241,173</u>

See accompanying Notes to Consolidated Financial Statements.

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

For the Years Ended December 31, 2020 and 2019

1) Nature of activities

Greater New Orleans, Inc. (GNO, Inc.) is a non-profit corporation formed in January 2004 to spearhead economic development for the ten-parish Greater New Orleans region, which accounts for about one-third of Louisiana's economy. In collaboration with government, business and industry, and civic leaders, GNO, Inc.'s professional economic development staff works to create jobs in Southeast Louisiana, market the parishes to companies seeking to expand or relocate, and retain and grow existing businesses.

GNO, Inc.'s affiliate, Greater New Orleans Development Foundation (the Foundation) was created to provide support to the charitable, scientific and educational programs initiated and implemented by GNO, Inc.

2) Summary of significant accounting policies

Significant accounting policies followed by GNO, Inc. and the Foundation are summarized below.

a) Financial statement presentation

GNO, Inc.'s and the Foundation's policy is to prepare its consolidated financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

b) Basis of consolidation

The consolidated financial statements include the accounts of Greater New Orleans, Inc. and its affiliate Greater New Orleans Development Foundation (collectively "the Organization"). The Board of Directors of the Foundation consists of nine members including the current Chairman of the Board of GNO, Inc., the immediate past Board Chairman of GNO, Inc., the President and CEO of GNO, Inc., three past Chairmen of the Board of Directors of GNO, Inc., and three additional directors, none of whom is an incumbent member of the Board of Directors of GNO, Inc. GNO, Inc. and the Foundation share common facilities and personnel. All material inter-organization transactions have been eliminated.

c) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

d) Accounts receivable

GNO, Inc. and the Foundation write off uncollectible accounts as they are identified. GNO, Inc.'s estimate for the allowance for doubtful accounts is based on a review of the current status of accounts receivable. Accounts receivable for GNO, Inc. is presented net of an allowance for doubtful accounts of \$566,187 and \$180,687 as of December 31, 2020 and 2019, respectively. No allowance for uncollectible accounts has been provided for the Foundation, as management has evaluated the accounts and believes they are all collectible.

e) Investments

Investments in marketable securities are valued at fair value in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains with donor restrictions are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized. Investments with a maturity of one year or less are classified as current.

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

For the Years Ended December 31, 2020 and 2019

2) Summary of significant accounting policies (continued)

f) Use of estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful Lives</u>
Furniture and fixtures	5 to 10 years
Equipment	5 years
Leasehold improvements	10 years

h) Description of net assets classification

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – with donor restrictions and without donor restrictions based on the existence or absence of donor imposed restrictions.

GNO, Inc. and the Foundation report gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

i) Advertising

GNO, Inc. and the Foundation expense advertising as incurred. Advertising expense was \$271,023 and \$217,008 for the years ended December 31, 2020 and 2019, respectively.

j) Concentration of credit risk

Financial instruments that potentially subject GNO, Inc. and the Foundation to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits. GNO, Inc. and the Foundation have not experienced any losses in such accounts. GNO, Inc. and the Foundation have no policy requiring collateral or other security to support its deposits.

GNO, Inc. and the Foundation at times extend credit to their investors. GNO, Inc. and the Foundation perform ongoing credit evaluations of its investors but generally do not require collateral to support accounts receivable.

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

For the Years Ended December 31, 2020 and 2019

2) Summary of significant accounting policies (continued)

k) Revenue recognition

GNO, Inc. and the Foundation recognize contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Investor contributions and sponsorships can be comprised of an exchange element based on the value provided, and a contribution element for the difference between the total amount paid and the exchange element. The exchange portions of investor contributions and sponsorships are recognized when the related performance obligations are met, and the contribution portion is recognized immediately.

A portion of GNO, Inc. and the Foundation's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GNO, Inc. and the Foundation has incurred expenditures in compliance with specific contract or grant provisions.

l) Donated services

Donated services are recognized at fair market value as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by individuals with those skills, and would otherwise be purchased.

m) Functional expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort.

n) New accounting pronouncements

In 2019, GNO, Inc. and the Foundation adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. The standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction.

GNO, Inc. and the Foundation adopted ASU No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. GNO, Inc. and the Foundation adopted this update in 2020 under the modified retrospective method. Analysis of various provisions of this standard resulted in no significant changes in the way GNO, Inc. and the Foundation recognizes revenue, and therefore did not result in a prior period adjustment.

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

For the Years Ended December 31, 2020 and 2019

2) Summary of significant accounting policies (continued)

n) New accounting pronouncements (continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the consolidated statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. GNO, Inc. and the Foundation are currently assessing the impact of this pronouncement on its consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after December 15, 2021. GNO, Inc. and the Foundation are currently assessing the impact of this pronouncement on its consolidated financial statements.

o) Income taxes

GNO, Inc. is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

GNO, Inc. and the Foundation adopted the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. Management of GNO, Inc. and the Foundation believe there is no material uncertain tax position and, accordingly, it will not recognize any liability for unrecognized tax benefits. With few exceptions, GNO, Inc. and the Foundation are not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

3) Property and equipment

Property and equipment is summarized as follows:

	2020	2019
Furniture and fixtures	\$ 164,075	\$ 164,075
Equipment	101,624	87,813
Leasehold improvements	35,627	35,627
Total costs	301,326	287,515
Less: accumulated depreciation	(255,290)	(228,664)
Property and equipment	<u>\$ 46,036</u>	<u>\$ 58,851</u>

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

For the Years Ended December 31, 2020 and 2019

4) Employee benefit plan

GNO, Inc. maintains a 401(k) retirement plan for the benefit of all eligible employees. Employer contributions to the plan are determined annually by the Board of Directors. For the years ended December 31, 2020 and 2019, GNO, Inc. contributed \$75,920 and \$75,211 to the plan, respectively.

In December 2019, GNO, Inc. established an eligible Section 457(b) deferred compensation plan “the Deferred Plan” for select management employees to permit those employees to defer receipt of current compensation in order to provide retirement benefits on behalf of such employees. GNO, Inc. may provide a matching contribution to the Deferred Plan and may make discretionary contributions to the Deferred Plan as determined by the Board of Directors.

The Deferred Plan is not intended to be a qualified plan under the provisions of the Internal Revenue Code. It is intended to be unfunded and, therefore, all compensation deferred under the Deferred Plan is held by GNO, Inc. and commingled with its general assets.

5) Investments

Money market funds and mutual funds are recorded at fair market value. Realized gains, including interest and dividend income amounted to \$3,359 and \$-0- in 2020 and 2019, respectively. Net unrealized gains were \$5,199 and \$-0- in 2020 and 2019, respectively.

6) Fair value measurement

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

For the Years Ended December 31, 2020 and 2019

6) Fair value measurement (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

*Money market funds:* Valued at net asset value, which is fair value.

*Mutual funds:* Valued at net asset value, which is fair market value, as the assets are market-to-market on a daily basis.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020:

	<u>2020</u>	
<u>Description</u>	<u>Total Assets Measured at Fair Value</u>	<u>Quoted Prices In Active Markets (Level 1)</u>
Money market funds	\$ 4,394	\$ 4,394
Mutual funds	<u>81,164</u>	<u>81,164</u>
Totals	<u>\$ 85,558</u>	<u>\$ 85,558</u>

7) Operating lease

GNO, Inc. leases its headquarters. Monthly lease payments under this lease are \$15,010. This lease expires in August 2025. Future minimum rental payments under this lease is as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2021	\$ 180,122
2022	180,122
2023	180,122
2024	180,122
2025	120,081



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

For the Years Ended December 31, 2020 and 2019

8) Restrictions on net assets

GNO, Inc. and the Foundation received several donor restricted grants to help fund the various projects and programs. Net assets with donor restrictions as of December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditures for specified purpose:		
Greater New Orleans, Inc.:		
Capital One - Digital Pathways	\$ 38,322	\$ 50,000
Louisiana Children's Museum	7,500	-
	45,822	50,000
Foundation:		
Coastal Vitality Project	\$ 143,453	\$ 181,027
Coronavirus Response + Recovery	11,050	-
Crime Tech Task Force	74,331	-
ECMC Foundation	6,800	-
FEMA	15,303	15,303
Resilience Lab	10,119	10,119
GNOF - La SAFE	6,053	6,053
IT Anywhere	11,738	11,738
Kresge Foundation	5,315	5,315
Lupin Foundation	720	10,000
Maritime Workforce Study	2,752	-
Upskilling LI50+ Workforce	77,029	-
Technology Workforce Access Program	6,403	6,403
Walton - NOLA 300	25,000	25,000
Youthforce NOLA	192	57,268
	396,258	328,226
Total donor restricted assets	\$ 442,080	\$ 378,226

9) Donated services

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2020, were travel expense of \$3,740, meetings and events expense of \$18,912, meals and entertainment expense of \$570, consulting expense of \$108,270, computer operations expense of \$1,816, payroll processing expense of \$14,068, website development expense of \$35,775, computer equipment expense of \$3,343, registration fee expense of \$2,750, and marketing expense of \$186,851.

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2019, were travel expense of \$14,800, meetings and events expense of \$95,342, meals and entertainment expense of \$12,663, consulting expense of \$80,000, computer operations expense of \$8,800, service award expense of \$30,000, payroll processing expense of \$14,081, website development expense of \$16,000, sponsorship expense of \$2,500, and marketing expense of \$174,476.

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

For the Years Ended December 31, 2020 and 2019

10) Related party transactions

During 2019, GNO, Inc. contracted with a law firm to provide consulting services on a monthly basis. One member of the Board of Directors is a partner with this firm. The fees paid to the law firm for the year ended December 31, 2019 was \$4,380. Other services provided by companies who were associated with GNO, Inc. Board of Directors totaled \$1,452 for the year ended December 31, 2019.

11) Liquidity and availability

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

Financial assets:	
Cash and cash equivalents	\$ 3,029,230
Accounts receivable	<u>1,053,940</u>
Financial assets, at year end	4,083,170
Less those unavailable for general expenditure within one year, due to	
Restriction by donor for specified purpose	<u>(442,080)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,641,090</u>

12) Coronavirus (COVID-19)

The COVID-19 pandemic has impacted and could further impact the Organization's operations and the operations of the Organization's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Organization's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Organization's customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Organization cannot reasonably estimate the impact at this time.

13) Paycheck Protection Program

During the year ended December 31, 2020 the Foundation was able to participate in the Paycheck Protection Program ("PPP"). This program was designed to assist organizations with cash flow requirements necessary to maintain a healthy workforce during the COVID-19 pandemic. Under this program the Foundation was able to borrow monies, up to certain amounts, to be used for payroll related costs. Loans under the PPP could be forgiven by the Federal Government if the Foundation meets the forgiveness criteria outlined within the CARES Act. The Foundation borrowed \$190,700 under the terms and conditions of the PPP during the year ended December 31, 2020.

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

For the Years Ended December 31, 2020 and 2019

13) Paycheck Protection Program (continued)

In accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*, the Foundation initially recorded the PPP loan as a refundable advance and subsequently recognized the funds as a conditional contribution. Accordingly, the Foundation recognized grant income as it incurred qualifying expenses and determined that any barriers or right of return of the PPP loan no longer existed. The Foundation recognized \$190,700 of contributions and has included it in grant revenues on the consolidated statement of activities.

14) Reclassification

Certain accounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation of the current year consolidated financial statements.

15) Subsequent events

Management evaluated subsequent events through the date of the auditors' 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 consolidated financial statements.

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

December 31, 2020

	Greater New Orleans, Inc.	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 536,527	\$ 2,492,703	\$ 3,029,230	\$ -	\$ 3,029,230
Accounts receivable, net of allowance	1,216,928	242,929	1,459,857	(405,917)	1,053,940
Other current assets	20,187	-	20,187	-	20,187
Total current assets	<u>1,773,642</u>	<u>2,735,632</u>	<u>4,509,274</u>	<u>(405,917)</u>	<u>4,103,357</u>
Property and equipment, at cost less accumulated depreciation	46,036	-	46,036	-	46,036
Investments	85,558	-	85,558	-	85,558
Other noncurrent assets	3,261	-	3,261	-	3,261
Total assets	<u>\$ 1,908,497</u>	<u>\$ 2,735,632</u>	<u>\$ 4,644,129</u>	<u>\$ (405,917)</u>	<u>\$ 4,238,212</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 116,346	\$ 338,704	\$ 455,050	\$ (405,917)	\$ 49,133
Accrued payroll liabilities	322,901	16,303	339,204	-	339,204
Other current liabilities	145,290	147,428	292,718	-	292,718
Total current liabilities	<u>584,537</u>	<u>502,435</u>	<u>1,086,972</u>	<u>(405,917)</u>	<u>681,055</u>
<b>NET ASSETS</b>					
Net assets					
Without donor restrictions	1,278,138	1,836,939	3,115,077	-	3,115,077
With donor restrictions	45,822	396,258	442,080	-	442,080
Total net assets	<u>1,323,960</u>	<u>2,233,197</u>	<u>3,557,157</u>	<u>-</u>	<u>3,557,157</u>
Total liabilities and net assets	<u>\$ 1,908,497</u>	<u>\$ 2,735,632</u>	<u>\$ 4,644,129</u>	<u>\$ (405,917)</u>	<u>\$ 4,238,212</u>

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

December 31, 2019

	Greater New Orleans, Inc.	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 356,018	\$ 1,885,155	\$ 2,241,173	\$ -	\$ 2,241,173
Accounts receivable, net of allowance	1,602,065	526,881	2,128,946	(416,957)	1,711,989
Other current assets	38,380	-	38,380	-	38,380
Total current assets	<u>1,996,463</u>	<u>2,412,036</u>	<u>4,408,499</u>	<u>(416,957)</u>	<u>3,991,542</u>
Property and equipment, at cost less accumulated depreciation	58,851	-	58,851	-	58,851
Other noncurrent assets	12,050	-	12,050	-	12,050
Total assets	<u>\$ 2,067,364</u>	<u>\$ 2,412,036</u>	<u>\$ 4,479,400</u>	<u>\$ (416,957)</u>	<u>\$ 4,062,443</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 41,211	\$ 413,192	\$ 454,403	\$ (416,957)	\$ 37,446
Accrued payroll liabilities	209,954	11,803	221,757	-	221,757
Other current liabilities	228,636	50,000	278,636	-	278,636
Total current liabilities	<u>479,801</u>	<u>474,995</u>	<u>954,796</u>	<u>(416,957)</u>	<u>537,839</u>
<b>NET ASSETS</b>					
Net assets					
Without donor restrictions	1,537,563	1,608,815	3,146,378	-	3,146,378
With donor restrictions	50,000	328,226	378,226	-	378,226
Total net assets	<u>1,587,563</u>	<u>1,937,041</u>	<u>3,524,604</u>	<u>-</u>	<u>3,524,604</u>
Total liabilities and net assets	<u>\$ 2,067,364</u>	<u>\$ 2,412,036</u>	<u>\$ 4,479,400</u>	<u>\$ (416,957)</u>	<u>\$ 4,062,443</u>

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

For the Year Ended December 31, 2020

	GNO, Inc. Without Donor Restrictions	GNO, Inc. With Donor Restrictions	Foundation Without Donor Restrictions	Foundation With Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>							
Investor contributions	\$ 2,228,675	\$ -	\$ 296,211	\$ -	\$ 2,524,886	\$ -	\$ 2,524,886
Sponsorship	167,500	-	-	-	167,500	-	167,500
Grants	498,040	65,000	292,116	1,373,676	2,228,832	-	2,228,832
Management fees	1,017,981	-	153,057	-	1,171,038	(1,002,248)	168,790
Interest income	-	-	7,066	-	7,066	-	7,066
Other income	268,293	-	-	-	268,293	-	268,293
Net assets released from restrictions	69,178	(69,178)	1,305,644	(1,305,644)	-	-	-
<b>Total revenues</b>	<b>4,249,667</b>	<b>(4,178)</b>	<b>2,054,094</b>	<b>68,032</b>	<b>6,367,615</b>	<b>(1,002,248)</b>	<b>5,365,367</b>
<b>Expenses</b>							
<b>Program services</b>							
Grants	588,861	-	1,457,797	-	2,046,658	(780,570)	1,266,088
Initiatives	230,491	-	5,290	-	235,781	-	235,781
Public	241,630	-	-	-	241,630	-	241,630
Business development	530,061	-	-	-	530,061	-	530,061
Communications	177,379	-	-	-	177,379	-	177,379
<b>Supporting services</b>							
General and administrative	2,740,670	-	362,883	-	3,103,553	(221,678)	2,881,875
<b>Total expenses</b>	<b>4,509,092</b>	<b>-</b>	<b>1,825,970</b>	<b>-</b>	<b>6,335,062</b>	<b>(1,002,248)</b>	<b>5,332,814</b>
<b>Change in net assets</b>	<b>(259,425)</b>	<b>(4,178)</b>	<b>228,124</b>	<b>68,032</b>	<b>32,553</b>	<b>-</b>	<b>32,553</b>
<b>Net assets</b>							
Beginning of year	1,537,563	50,000	1,608,815	328,226	3,524,604	-	3,524,604
End of year	<u>\$ 1,278,138</u>	<u>\$ 45,822</u>	<u>\$ 1,836,939</u>	<u>\$ 396,258</u>	<u>\$ 3,557,157</u>	<u>\$ -</u>	<u>\$ 3,557,157</u>

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

For the Year Ended December 31, 2019

	GNO, Inc. Without Donor Restrictions	GNO, Inc. With Donor Restrictions	Foundation Without Donor Restrictions	Foundation With Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>							
Investor contributions	\$ 2,402,140	\$ -	\$ 329,524	\$ -	\$ 2,731,664	\$ -	\$ 2,731,664
Sponsorship	469,300	-	175,000	-	644,300	-	644,300
Grants	590,091	50,000	30,000	1,115,442	1,785,533	-	1,785,533
Management fees	1,116,559	-	114,734	-	1,231,293	(1,129,693)	101,600
Interest income	-	-	6,648	-	6,648	-	6,648
Other income	355,680	-	750	-	356,430	-	356,430
Net assets released from restrictions	-	-	1,370,444	(1,370,444)	-	-	-
<b>Total revenues</b>	<b>4,933,770</b>	<b>50,000</b>	<b>2,027,100</b>	<b>(255,002)</b>	<b>6,755,868</b>	<b>(1,129,693)</b>	<b>5,626,175</b>
<b>Expenses</b>							
<b>Program services</b>							
Grants	591,066	-	1,490,862	-	2,081,928	(834,486)	1,247,442
Initiatives	500,885	-	45,661	-	546,546	-	546,546
External affairs	746	-	-	-	746	-	746
Public	215,618	-	-	-	215,618	-	215,618
Business development	907,531	-	-	-	907,531	-	907,531
Communications	213,589	-	-	-	213,589	-	213,589
<b>Supporting services</b>							
General and administrative	2,499,657	-	284,985	-	2,784,642	(295,207)	2,489,435
<b>Total expenses</b>	<b>4,929,092</b>	<b>-</b>	<b>1,821,508</b>	<b>-</b>	<b>6,750,600</b>	<b>(1,129,693)</b>	<b>5,620,907</b>
<b>Change in net assets</b>	<b>4,678</b>	<b>50,000</b>	<b>205,592</b>	<b>(255,002)</b>	<b>5,268</b>	<b>-</b>	<b>5,268</b>
<b>Net assets</b>							
Beginning of year	1,532,885	-	1,403,223	583,228	3,519,336	-	3,519,336
End of year	<u>\$ 1,537,563</u>	<u>\$ 50,000</u>	<u>\$ 1,608,815</u>	<u>\$ 328,226</u>	<u>\$ 3,524,604</u>	<u>\$ -</u>	<u>\$ 3,524,604</u>

GREATER NEW ORLEANS, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2020

	GNO, Inc.						Greater New Orleans Development Foundation			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services						Program Services					
	Grants	Initiatives	Public	Business Development	Communications	General & Administrative	Grants	Initiatives	General & Administrative			
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,500	\$ -	\$ -	\$ 7,000	\$ 568,500	\$ -	\$ 568,500
Bank service charge	-	-	-	-	-	1,410	-	-	39	1,449	-	1,449
Consultants	152,118	90,000	66,250	123,584	-	224,923	102,000	-	35,000	793,875	-	793,875
Development	30,546	15,918	3,683	5,158	-	8,838	500	-	-	64,643	-	64,643
Depreciation	-	-	-	-	-	26,626	-	-	-	26,626	-	26,626
Dues and subscriptions	31,244	-	736	6,934	-	41,401	4,418	-	5,655	90,388	-	90,388
Grants	-	-	-	-	-	-	111,200	-	-	111,200	-	111,200
Grant administration	211,516	-	-	-	-	-	269,936	-	(269,936)	211,516	-	211,516
Insurance	-	-	(2,689)	(14,925)	(4,184)	103,633	-	-	31,101	112,936	-	112,936
Indirect overhead	-	-	-	-	-	-	203,514	-	(203,514)	-	-	-
Marketing	93,669	-	-	31	-	177,101	221	-	-	271,022	-	271,022
Meetings and events	1,554	112,595	3,616	2,765	-	18,141	1,724	5,290	805	146,490	-	146,490
Management fee	37,267	-	-	-	-	-	743,303	-	221,678	1,002,248	(1,002,248)	-
Merchant credit card fees	-	-	-	75	-	5,088	-	-	8	5,171	-	5,171
Payroll service fees	-	-	-	-	-	22,135	-	-	6,310	28,445	-	28,445
Payroll taxes	-	-	11,524	35,059	12,761	49,676	-	-	29,743	138,763	-	138,763
Postage and delivery	-	-	-	123	-	1,152	-	-	-	1,275	-	1,275
Printing and reproduction	527	2,425	150	201	-	2,891	-	-	-	6,194	-	6,194
Professional services	-	-	-	-	-	13,995	-	-	2,900	16,895	-	16,895
Public relations	9,350	-	-	-	-	-	-	-	-	9,350	-	9,350
Rent expense	-	-	-	35,597	-	149,271	-	-	30,324	215,192	-	215,192
Repairs and maintenance	-	-	-	-	-	4,811	-	-	-	4,811	-	4,811
Salary and wages	-	-	152,083	317,776	168,802	1,112,354	-	-	433,746	2,184,761	-	2,184,761
Service awards	3,498	8,719	-	454	-	1,309	-	-	69	14,049	-	14,049
Storage	-	-	-	-	-	4,133	-	-	-	4,133	-	4,133
Supplies	-	220	16	369	-	5,876	-	-	49	6,530	-	6,530
Training and development	-	-	-	349	-	-	-	-	-	349	-	349
Technology	-	75	-	199	-	34,157	6,703	-	-	41,134	-	41,134
Telephone	-	-	100	3,498	-	17,153	-	-	8,008	28,759	-	28,759
Travel, meals and entertainment	2,699	214	6,161	12,814	-	55,542	6,473	-	12,257	96,160	-	96,160
Website development	14,873	325	-	-	-	33,275	7,805	-	-	56,278	-	56,278
401K contributions	-	-	-	-	-	64,279	-	-	11,641	75,920	-	75,920
<b>Total expenses</b>	<b>\$ 588,861</b>	<b>\$ 230,491</b>	<b>\$ 241,630</b>	<b>\$ 530,061</b>	<b>\$ 177,379</b>	<b>\$ 2,740,670</b>	<b>\$ 1,457,797</b>	<b>\$ 5,290</b>	<b>\$ 362,883</b>	<b>\$ 6,335,062</b>	<b>\$ (1,002,248)</b>	<b>\$ 5,332,814</b>



GREATER NEW ORLEANS, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2019

	GNO, Inc.						Greater New Orleans Development Foundation			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals	
	Program Services						Program Services						
	Grants	Initiatives	Public	Business Development	Communications	External Affairs	General & Administrative	Grants	Initiatives	General & Administrative			
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,350	\$ -	\$ -	\$ -	\$ 177,350	\$ -	\$ 177,350
Bank service charge	-	-	-	-	-	-	2,168	-	-	-	2,168	-	2,168
Consultants	226,162	52,000	80,646	244,000	-	-	63,664	60,000	-	63,916	790,388	-	790,388
Development	42,167	20,686	5,000	16,518	-	-	19,586	13,419	-	-	117,376	-	117,376
Depreciation	-	-	-	-	-	-	45,552	-	-	-	45,552	-	45,552
Dues and subscriptions	25,359	-	644	5,925	-	-	22,483	4,817	-	5,279	64,507	-	64,507
Grant administration	100,321	-	-	-	-	-	-	247,788	-	(247,788)	100,321	-	100,321
Insurance	-	2,063	(1,589)	(14,752)	(3,954)	-	109,352	-	-	23,037	114,157	-	114,157
Indirect overhead	-	-	-	-	-	-	-	274,992	-	(274,992)	-	-	-
Marketing	37,750	2,685	-	793	-	-	175,001	779	-	-	217,008	-	217,008
Meetings and events	13,694	205,744	3,166	37,615	-	-	44,671	36,797	45,053	50	386,790	-	386,790
Management fee	16,134	-	-	-	-	-	-	818,352	-	295,207	1,129,693	(1,129,693)	-
Merchant credit card fees	-	313	-	-	-	-	4,684	-	-	74	5,071	-	5,071
Payroll service fees	-	-	-	-	-	-	23,043	-	-	5,180	28,223	-	28,223
Payroll taxes	-	-	7,850	37,159	15,408	-	58,392	-	-	24,638	143,447	-	143,447
Pest control	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage and delivery	-	25	-	432	-	-	1,471	84	-	38	2,050	-	2,050
Printing and reproduction	113	18,164	-	804	135	-	13,033	4,034	-	313	36,596	-	36,596
Production	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional services	-	4,380	-	-	-	-	16,247	-	-	2,750	23,377	-	23,377
Public relations	9,350	-	-	-	-	-	-	-	-	-	9,350	-	9,350
Recycling expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent expense	-	-	-	48,392	-	-	197,687	-	-	-	246,079	-	246,079
Repairs and maintenance	-	-	-	-	-	-	4,082	-	-	-	4,082	-	4,082
Salary and wages	-	-	105,000	414,284	202,000	-	1,217,159	-	-	358,634	2,297,077	-	2,297,077
Service awards	-	32,538	-	696	-	-	5,730	188	-	-	39,152	-	39,152
Storage	-	-	-	-	-	-	6,899	-	-	-	6,899	-	6,899
Supplies	-	1,890	-	1,260	-	-	8,111	122	-	185	11,568	-	11,568
Training and development	3,795	-	-	349	-	-	199	600	-	2,750	7,693	-	7,693
Technology	-	768	-	595	-	-	36,602	267	-	-	38,232	-	38,232
Telephone	-	-	-	4,819	-	-	25,706	-	-	3,063	33,588	-	33,588
Travel, meals and entertainment	1,368	147,629	14,901	108,595	-	746	147,536	28,404	608	12,867	462,654	-	462,654
Website development	114,853	12,000	-	47	-	-	7,822	219	-	-	134,941	-	134,941
401K contributions	-	-	-	-	-	-	65,427	-	-	9,784	75,211	-	75,211
<b>Total expenses</b>	<b>\$ 591,066</b>	<b>\$ 500,885</b>	<b>\$ 215,618</b>	<b>\$ 907,531</b>	<b>\$ 213,589</b>	<b>\$ 746</b>	<b>\$ 2,499,657</b>	<b>\$ 1,490,862</b>	<b>\$ 45,661</b>	<b>\$ 284,985</b>	<b>\$ 6,750,600</b>	<b>\$ (1,129,693)</b>	<b>\$ 5,620,907</b>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Greater New Orleans, Inc., and its affiliate Greater New Orleans Development Foundation which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 29, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 29, 2021  
Metairie, Louisiana

*Wegmann Bazet & Co*

GREATER NEW ORLEANS, INC. AND AFFILIATE  
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2020

SUMMARY OF COMPENSATION

Michael Hecht  
President & CEO

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