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GREATER NEW ORLEANS, INC., AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT TO BOARD

December 31, 2011 and 2010

GREATER NEW ORLEANS, INC ,
AND AFFILIATE

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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

We have audited the accompanying consolidated statements of financial position of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation (both nonprofit organizations), as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2012, 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 provisions of laws, regulations, contracts, and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of Greater New Orleans, Inc 's and its affiliate taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 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 basic consolidated financial statements taken as a whole

June 11, 2012

Wegmann Dazet & Company

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

December 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,936,021	$ 1,742,913
Certificate of deposits	38,139	37,974
Accounts receivable	755,251	575,917
Other current assets	769	-
Total current assets	2,730,180	2,356,804
Property and equipment, at cost less accumulated depreciation	19,175	6,402
Deposits	10,713	10,713
Total assets	$ 2,760,068	$ 2,373,919
LIABILITIES		
Current liabilities		
Line of credit	$ -	$ 48,443
Accounts payable	479,926	245,319
Accrued payroll liabilities	116,445	2,029
Other current liabilities	11,476	153,349
Current portion of long-term debt	59,557	40,660
Total current liabilities	667,404	489,800
Long-term debt, less current portion	61,907	77,076
Total liabilities	729,311	566,876
NET ASSETS		
Net assets		
Unrestricted	914,754	290,556
Temporarily restricted	1,116,003	1,516,487
Total net assets	2,030,757	1,807,043
Total liabilities and net assets	$ 2,760,068	$ 2,373,919

See accompanying Notes to Consolidated Financial Statements

GREATER NEW ORLEANS, INC , AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2011

	Unrestricted	Temporary Restricted	Total
Revenues			
Investor contributions	$ 2,089,594	$ -	$ 2,089,594
Sponsorship	2,483	-	2,483
NORLI	-	138,317	138,317
Grants	1,820,018	301,000	2,121,018
Management fees	175,473	-	175,473
Interest income	1,714	-	1,714
Other income	318,310	-	318,310
Net assets released from restrictions	839,801	(839,801)	-
Total revenues	5,247,393	(400,484)	4,846,909
Expenses			
Program services			
Grants	1,877,728	-	1,877,728
Initiatives	132,125	-	132,125
Public	132,257	-	132,257
Business development	438,395	-	438,395
Communications	54,998	-	54,998
Supporting services			
General and administrative	1,987,692	-	1,987,692
Total expenses	4,623,195	-	4,623,195
Change in net assets	624,198	(400,484)	223,714
Net assets			
Beginning of year	290,556	1,516,487	1,807,043
End of year	$ 914,754	$ 1,116,003	$ 2,030,757

See accompanying Notes to Consolidated Financial Statements

GREATER NEW ORLEANS, INC
CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2010

	Unrestricted	Temporary Restricted	Total
Revenues			
Investor contributions	$ 1,607,759	$ -	$ 1,607,759
Sponsorship	7,639	-	7,639
NORLI	-	138,186	138,186
Grants	1,161,885	2,462,000	3,623,885
Management fees	83,834	-	83,834
Interest income	2,845	-	2,845
Other income	197,343	-	197,343
Net assets released from restrictions	1,174,665	(1,174,665)	-
Total revenues	4,235,970	1,425,521	5,661,491
Expenses			
Program services			
Grants	558,683	-	558,683
Initiatives	266,524	-	266,524
External affairs	8,283	-	8,283
Public	54,931	-	54,931
Business development	324,258	-	324,258
Supporting services			
General and administrative	2,327,366	-	2,327,366
Total expenses	3,540,045	-	3,540,045
Change in net assets	695,925	1,425,521	2,121,446
Net assets			
Beginning of year	(405,369)	90,966	(314,403)
End of year	$ 290,556	$ 1,516,487	$ 1,807,043

See accompanying Notes to Consolidated Financial Statements

GREATER NEW ORLEANS, INC , AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities·		
Change in net assets	$ 223,714	$ 2,121,446
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	6,715	11,525
(Increase) decrease in operating assets		
Accounts receivables	(179,334)	(223,288)
Other receivables	(262)	-
Other current assets	(507)	-
Increase (decrease) in operating liabilities.		
Accounts payable and accrued expenses	349,023	(152,497)
Due to related party	-	(100,000)
Other current liabilities	(141,873)	(296,844)
Net cash provided by operating activities	257,476	1,360,342
Cash flows from investing activities·		
Purchase of property and equipment	(19,488)	-
(Purchase) sale of investments, net	(165)	10,458
Net cash (used) provided by investing activities	(19,653)	10,458
Cash flows from financing activities.		
Borrowings under line of credit	(133)	-
Repayments of line of credit	-	(8)
Repayments of long-term debt	(44,582)	(52,091)
Net cash used by financing activities	(44,715)	(52,099)
Net increase	193,108	1,318,701
Cash and cash equivalents at beginning of year	1,742,913	424,212
Cash and cash equivalents at end of year	$ 1,936,021	$ 1,742,913

See accompanying Notes to Consolidated Financial Statements

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 principles

Significant accounting policies followed by the companies 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. The Board of Directors of the Foundation consists of the fifteen members of the Executive Committee of the Board of Directors of GNO, Inc , plus four additional directors appointed by the Chairman of the Board 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 $25,000 as of December 31, 2011. No allowance for uncollectible accounts has been provided for the Foundation, as management has evaluated the accounts and believes they are all collectible.

e) 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.

2) Summary of significant accounting principles (continued)

f) 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 assets 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·

	Useful Lives
Furniture and fixtures	5 to 8 years
Equipment	5 years
Leasehold improvements	10 years

g) Certificates of deposit
Investments in certificates of deposit are stated at fair values in the statement of financial position Investments with a maturity of less than one year are classified as current assets

h) Description of net assets classification
Financial Accounting Standards Board Accounting Standards Codification 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for three classifications – permanently restricted, temporarily restricted and unrestricted 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 unrestricted net assets. 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) 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 (FDIC) 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.

j) 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

2) Summary of significant accounting principles (continued)

k) Advertising
GNO, Inc and the Foundation expense advertising as incurred. Advertising expense was $439,208 and $281,933 for the years ended December 31, 2011 and 2010, respectively.

l) 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 Financial Accounting Standards Board Accounting Standards Codification 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 no longer subject to United States federal or Louisiana state income tax examinations by tax authorities for the years before 2008.

3) Property and equipment

Property and equipment is summarized as follows:

	2011	2010
Furniture and fixtures	$ 116,329	$ 111,329
Equipment	52,425	52,425
Leasehold improvements	25,463	10,975
Total costs	194,217	174,729
Less: accumulated depreciation	175,042	168,327
Property and equipment	$ 19,175	$ 6,402

4) Investments

Financial Accounting Standards Board Accounting Standards Codification 820-10, *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 FASB ASC 820-10 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets

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;

4) Investments (continued)

- 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 following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2011

	Total Fair Value Assets as of December 31,2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobervable Inputs (Level 3)
Certificates of Deposit	$ 38,139	$ 38,139	$ -	$ -

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2010.

	Total Fair Value Assets as of December 31,2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobervable Inputs (Level 3)
Certificates of Deposit	$ 37,974	$ 37,974	$ -	$ -

5) Restrictions on net assets

GNO, Inc. operates an initiative which provides services to grow leadership in the ten-parish New Orleans region. Temporarily restricted net assets remaining for this initiative at December 31, 2011 and 2010 was $71,790 and $65,100, respectively.

5) Restrictions on net assets (continued)

The Foundation received several temporarily restricted grants to help fund the coastal vitality project, a study of the airport, Green New Orleans Project, Working Past Disasters Project and the Leap Frog Program. Temporarily restricted net assets as of December 31, 2011 and 2010 consisted of the following

	2011	2010
Coastal Vitality Project	$ 862,742	$1,354,387
Leapfrog	-	17,000
Greater New Orleans Marine Training & Certification Program	33,477	-
Green N.O.	46,994	-
Mott Foundation	100,000	-
NORLI	1,000	
SERRA	-	80,000
Total temporarily restricted assets	$ 1,044,213	$1,451,387

6) Federal financial assistance

The Foundation was awarded a grant from the U.S. Department of Commerce Economic Development Administration to assist in critical capacity building throughout the ten parish region served by the Foundation. The grant is considered to be an exchange transaction Accordingly, revenue is recognized when earned and expenses are recognized as incurred Grant activity for the years ended December 31, 2011and 2010 was as follows·

	2011	2010
Grant Receipts	$ 256,000	$ 275,000
Prior Year Expenditures	256,000	-
Grant Expenditures	-	531,000
Due from grant at end of year	$ -	$ 256,000

6) Federal financial assistance (continued)

The Foundation was awarded a grant from the U.S. Department of Commerce Economic Development Administration to execute a business outreach strategy that will educate the public that "New Orleans is Open for Business." The grant is considered to be an exchange transaction Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2011 was as follows:

	2011
Grant Receipts	$ 58,109
Grant Expenditures	71,388
Due from grant at end of year	$ 13,279

The Foundation was awarded a grant from the Office of Community Development to assist in the execution of the Resiliency Program, which is designed to provide recovery to Louisiana's most at-risk communities. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2011 was as follows.

	2011
Grant Receipts	$ -
Grant Expenditures	484,866
Due from grant at end of year	$ 484,866

7) Operating lease

GNO, Inc. leases office space for its headquarters. The lease payments are $12,330 through May 2015. The lease expires May 2015 and contains an option to renew for two additional five year terms. Future minimum rental payments under the lease are as follows:

Year Ending		Amount
2012	$	147,956
2013		147,956
2014		147,956
2015		61,648

7) Operating lease (continued)

A portion of the leased space is subleased to an unaffiliated business The above lease expense will be offset by payments due under the sublease as follows:

Year Ending	Amount
2012	$12,215
2013	12,215
2014	12,215
2015	4,072

8) Line of credit

GNO, Inc had a $50,000 unsecured line of credit with a bank for its working capital needs The interest rate on the line is equal to the Wall Street Journal prime rate (3.25% at December 31, 2010). The balance at December 31, 2010 was $48,443 During 2011, the line of credit was refinanced into a note payable as noted in Note 9.

9) Long-term debt

Long-term debt at December 31, 2011 and 2010 consists of the following:

	2011	2010
GNO, Inc.,notes payable to a bank with interest ranging from 3 25% to 6.00%, secured by the assets of GNO, Inc , due in monthly installments of approximately $5,300, including principal and interest. The notes mature at various dates through September 2014.	$ 121,464	$ 117,736
Total long-term debt	121,464	117,736
Less current portion	(59,557)	(40,660)
Long-term debt, less current portion	$ 61,907	$ 77,076

The maturities of long-term debt are as follows:

2012	$ 59,557
2013	50,941
2014	10,966

10) 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, 2011 and 2010, GNO, Inc. contributed approximately $35,415 and $23,114 to the plan, respectively

11) 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, 2011, were marketing expenses of $141,300, travel and entertainment expenses of $36,280, meeting and events expense of $25,000 and supplies expense of $2,647

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2010, were marketing expenses of $78,500 travel and entertainment expenses of $30,500, and professional service expenses of $30,000.

12) Related party transactions

During 2011, GNO, Inc. contracted with two law firms to provide consulting services on a monthly basis. Two members of the Board of Directors are partners with these firms The combined fees paid to the law firms for the year end December 31, 2011 was $27,673. Other services provided by companies who were associated with GNO, Inc. Board of Directors totaled $33,683 for the year ended December 31, 2011.

During 2010, GNO, Inc. contracted with two law firms to provide consulting services on a monthly basis. Two members of the Board of Directors are partners with these firms. The combined fees paid to the law firms for the year end December 31, 2010 was $59,825.

13) Supplemental statement of cash flows information

Cash paid for interest expense was $25,605 and $37,081 for the years ended December 31, 2011 and 2010, respectively

On September 28, 2011, the line of credit balance of $48,310 was refinanced as long-term debt as noted in Note 8.

14) Subsequent events

Management has evaluated subsequent events through June 11, 2012, 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 INFOMRATION - CONSOLIDATED SCHEDULE OF EXPENSES

For the Years Ended December 31, 2011 and 2010

	2011	2010
Bad debt expense	$ 101,500	$ 203,034
Bank service charge	726	1,113
Computer repairs and supplies	-	2,165
Contracted staff expenses	208,488	396,139
Consultants	870,916	393,646
Courier service	-	263
Dell lease expense	-	2,014
Development	8,538	10,000
Depreciation	6,715	11,526
Dues and subscriptions	20,510	20,234
Grants	171,421	215,000
Grant administration	182,876	-
Interest	25,605	37,081
Insurance	80,167	57,949
Legal fees	27,674	-
Marketing	439,208	267,600
Meetings and events	160,642	143,287
Meals and entertainment	257,726	236,775
Management fee	64,506	-
Merchant credit card fees	4,368	2,899
Microsoft grant training	21,989	34,345
NORLI	-	71,334
Other expense	14,965	19,223
Payroll service fees	4,379	3,109
Payroll taxes	93,822	64,305
Postage and delivery	3,865	2,823
Printing and reproduction	6,768	-
Professional services	18,292	57,952
Public relations	8,800	30,000
Rent expense	149,023	136,740
Repairs and maintenance	11,585	186
Salary and wages	1,415,919	918,586
Service awards	2,295	1,441
Storage	6,828	5,399
Supplies	37,965	24,502
Training and development	19,644	15,237
Temporary labor	-	112
Technology	78,228	47,135
Telephone	61,126	61,277
Website development	701	22,500
401K contributions	35,415	23,114
Total expenses	$ 4,623,195	$ 3,540,045

<u>SUPPLEMENTARY INFORMATION</u>

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

December 31, 2011

	Greater New Orleans, Inc	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 344,795	$ 1,591,226	$ 1,936,021	$ -	$ 1,936,021
Certificate of deposits	38,139	-	38,139	-	38,139
Accounts receivable	254,606	500,645	755,251	-	755,251
Other current assets	769	-	769	-	769
Due from affiliate	173,026	-	173,026	(173,026)	-
Total current assets	811,335	2,091,871	2,903,206	(173,026)	2,730,180
Property and equipment, at cost less accumulated depreciation	19,175	-	19,175	-	19,175
Deposits	10,713	-	10,713	-	10,713
Total assets	$ 841,223	$ 2,091,871	$ 2,933,094	$ (173,026)	$ 2,760,068
LIABILITIES					
Current liabilities					
Accounts payable	$ 28,546	$ 451,380	$ 479,926	$ -	$ 479,926
Accrued payroll liabilities	102,754	13,691	116,445	-	116,445
Due to affiliate	-	173,026	173,026	(173,026)	-
Other current liabilities	11,476	-	11,476	-	11,476
Current portion of long-term debt	59,557	-	59,557	-	59,557
Total current liabilities	202,333	638,097	840,430	(173,026)	667,404
Long-term debt, less current portion	61,907	-	61,907	-	61,907
Total liabilities	264,240	638,097	902,337	(173,026)	729,311
NET ASSETS					
Net assets					
Unrestricted	505,193	409,561	914,754	-	914,754
Temporarily restricted	71,790	1,044,213	1,116,003	-	1,116,003
Total net assets	576,983	1,453,774	2,030,757	-	2,030,757
Total liabilities and net assets	$ 841,223	$ 2,091,871	$ 2,933,094	$ (173,026)	$ 2,760,068

GREATER NEW ORLEANS, INC , AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2010

	Greater New Orleans, Inc	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 364,457	$ 1,378,456	$ 1,742,913	$ -	$ 1,742,913
Certificate of deposits	37,974	-	37,974	-	37,974
Accounts receivable	419,917	156,000	575,917	-	575,917
Due from affiliate	25,086	-	25,086	(25,086)	-
Total current assets	847,434	1,534,456	2,381,890	(25,086)	2,356,804
Property and equipment, at cost less accumulated depreciation	6,402	-	6,402	-	6,402
Deposits	10,713	-	10,713	-	10,713
Total assets	$ 864,549	$ 1,534,456	$ 2,399,005	$ (25,086)	$ 2,373,919
LIABILITIES					
Current liabilities					
Line of credit	$ 48,443	$ -	$ 48,443	$ -	$ 48,443
Accounts payable	50,319	195,000	245,319	-	245,319
Accrued payroll liabilities	2,029	-	2,029	-	2,029
Due to affiliate	-	25,086	25,086	(25,086)	-
Other current liabilities	144,980	8,369	153,349	-	153,349
Current portion of long-term debt	40,660	-	40,660	-	40,660
Total current liabilities	286,431	228,455	514,886	(25,086)	489,800
Long-term debt, less current portion	77,076	-	77,076	-	77,076
Total liabilities	363,507	228,455	591,962	(25,086)	566,876
NET ASSETS					
Net assets					
Unrestricted	435,942	(145,386)	290,556	-	290,556
Temporarily restricted	65,100	1,451,387	1,516,487	-	1,516,487
Total net assets	501,042	1,306,001	1,807,043	-	1,807,043
Total liabilities and net assets	$ 864,549	$ 1,534,456	$ 2,399,005	$ (25,086)	$ 2,373,919

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

For the Year Ended December 31, 2011

	GNO, Inc Unrestricted	GNO, Inc Temporary Restricted	Foundation Unrestricted	Foundation Temporary Restricted	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues							
Investor contributions	$ 1,708,094	$ -	$ 381,500	$ -	$ 2,089,594	$ -	$ 2,089,594
Sponsorship	1,083	-	400	1,000	2,483	-	2,483
NORLI	-	138,317	-	-	138,317	-	138,317
Grants	536,436	-	1,284,582	300,000	2,121,018	-	2,121,018
Management fees	615,025	-	-	-	615,025	(439,552)	175,473
Interest income	15	-	1,699	-	1,714	-	1,714
Other income	318,310	-	-	-	318,310	-	318,310
Net assets released from restrictions	131,627	(131,627)	708,174	(708,174)	-	-	-
Total revenues	3,310,590	6,690	2,376,355	(407,174)	5,286,461	(439,552)	4,846,909
Expenses							
Program services							
Grants	552,299	-	1,764,981	-	2,317,280	(439,552)	1,877,728
Initiatives	132,125	-	-	-	132,125	-	132,125
Public	132,257	-	-	-	132,257	-	132,257
Business development	438,395	-	-	-	438,395	-	438,395
Communications	54,998	-	-	-	54,998	-	54,998
Supporting services							
General and administrative	1,931,265	-	56,427	-	1,987,692		1,987,692
Total expenses	3,241,339	-	1,821,408	-	5,062,747	(439,552)	4,623,195
Change in net assets	69,251	6,690	554,947	(407,174)	223,714	-	223,714
Net assets							
Beginning of year	435,942	65,100	(145,386)	1,451,387	1,807,043	-	1,807,043
End of year	$ 505,193	$ 71,790	$ 409,561	$ 1,044,213	$ 2,030,757	$ -	$ 2,030,757

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

For the Year Ended December 31, 2010

	GNO, Inc Unrestricted	GNO, Inc Temporary Restricted	Foundation Unrestricted	Foundation Temporary Restricted	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues							
Investor contributions	$ 1,398,259	$ -	$ 209,500	$ -	$ 1,607,759	$ -	$ 1,607,759
Sponsorship	6,139	-	1,500	-	7,639	-	7,639
NORLI	-	133,336	-	4,850	138,186	-	138,186
Grants	661,544	-	500,341	2,462,000	3,623,885	-	3,623,885
Management fees	1,446,383	-	-	-	1,446,383	(1,362,549)	83,834
Interest income	137	-	2,708	-	2,845	-	2,845
Other income	197,343	-	-	-	197,343	-	197,343
Net assets released from restrictions	159,202	(159,202)	1,015,463	(1,015,463)	-	-	-
Total revenues	3,869,007	(25,866)	1,729,512	1,451,387	7,024,040	(1,362,549)	5,661,491
Expenses							
Program services							
Grants	309,338	-	249,345	-	558,683	-	558,683
Initiatives	266,524	-	-	-	266,524	-	266,524
External affairs	8,283	-	-	-	8,283	-	8,283
Public	54,931	-	-	-	54,931	-	54,931
Business development	324,258	-	-	-	324,258	-	324,258
Supporting services							
General and administrative	2,011,949	-	1,677,966	-	3,689,915	(1,362,549)	2,327,366
Total expenses	2,975,283	-	1,927,311	-	4,902,594	(1,362,549)	3,540,045
Change in net assets	893,724	(25,866)	(197,799)	1,451,387	2,121,446	-	2,121,446
Net assets							
Beginning of year	(457,782)	90,966	52,413	-	(314,403)	-	(314,403)
End of year	$ 435,942	$ 65,100	$ (145,386)	$ 1,451,387	$ 1,807,043	$ -	$ 1,807,043

REPORT TO THE BOARD

CLIFTON W NEWLIN
ROBERT D WATKINS
EDWARD G BERBUESSE, JR
JON S FOLSE

MARK D BOHNET
LISA D ENGLADE
KERNEY F CRAFT, JR

JONATHAN P KOENIG

WEGMANN DAZET & COMPANY

June 11, 2012

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

Dear Members of the Board of Directors:

We have audited the consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation (both nonprofit organizations) for the year ended December 31, 2011, and have issued our report thereon dated June 11, 2012 Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit We have communicated such information in our letter to you dated February 25, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies The significant accounting policies used by Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management Management has corrected all such misstatements In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

WEGMANN DAZET & COMPANY | A PROFESSIONAL CORPORATION | CERTIFIED PUBLIC ACCOUNTANTS
MEMBERS AICPA PRIVATE COMPANIES PRACTICE SECTION | AN INDEPENDENT MEMBER OF THE BDO SEIDMAN ALLIANCE
NEW ORLEANS OFFICE | 111 VETERANS BLVD | SUITE 800 | METAIRIE | LA 70005
NORTHSHORE OFFICE | 109 NEW CAMELLIA BLVD | SUITE 106 | COVINGTON | LA 70433
(504) 837-8844 | FAX (504) 837-0856 | WWW WDCO BIZ

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document

Wegmann Dazet & Company

June 11, 2012

OMB CIRCULAR A-133 COMPLIANCE AND GOVERNMENT AUDITING STANDARD REPORTS

CLIFTON W NEWLIN
ROBERT D WATKINS
EDWARD G BERBUESSE, JR
JON S FOLSE

WEGMANN DAZET & COMPANY

MARK D BOHNET
LISA D ENGLADE
KERNEY F CRAFT, JR.
JONATHAN P. KOENIG

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

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

We have audited the consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation as of and for the year ended December 31, 2011, and have issued our report thereon dated June 11, 2012. We conducted our 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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above

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 financial statements are free of 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*

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties Under Louisiana Revised Statue 24·513, this report is distributed by the Legislative Auditor as a public document.

June 11, 2012

Wegmann Dazet + Company

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

COMPLIANCE

We have audited Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's major federal program for the year ended December 31, 2011 Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation's management. Our responsibility is to express an opinion on Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's compliance based on our audit

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred An audit includes examining, on a test basis, evidence about Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation's compliance with those requirements

In our opinion, Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2011

INTERNAL CONTROL OVER COMPLIANCE

Management of Greater New Orleans, Inc and its affiliate, Greater New Orleans Development Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs In planning and performing our audit, we considered Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. 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 over compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as define above.

This report is intended solely for the information of the Board of Directors, management, others within the Organization, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Under Louisiana Revised Statue 24 513, this report is distributed by the Legislative Auditor as a public document.

June 11, 2012

Waynon Payet & Company

GREATER NEW ORLEANS, INC AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Federal Grantor/Program Title	CFDA Number	Federal Expenditures
Department of Housing and Urban Development		
Office of Community Development	14.228	$484,865
U.S Department of Commerce		
Economic Adjustment Assistance	11.307	$373,742
Total Expenditure of Federal Awards		$858,607

See accompanying notes to Schedule of Expenditures of Federal Awards.

GREATER NEW ORLEANS, INC AND AFFILIATE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Note A Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements

Note B Risk-Based Audit Approach

The dollar threshold used to distinguish between Type A and Type B programs is $300,000. The Organization does not qualify as a low-risk auditee.

GREATER NEW ORLEANS, INC AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

SUMMARY OF THE AUDITORS' RESULTS

1 An unqualified opinion was issued on the financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation.

2 The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.

3. The audit disclosed no instances of noncompliance that were material to the financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation.

4. The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses is not applicable.

5 An unqualified opinion was issued on compliance for major programs.

6. The audit disclosed no findings, which are required to be reported under Section 501(a) of Circular A-133.

7. Major programs for the fiscal year ended December 31, 2011 were.

U.S Department of Commerce Economic Adjustment Assistance	(CFDA #11.307)
Department of Housing and Urban Development Office of Community Development	(CFDA #14 228)

8 The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

9. Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation was not determined to be a low-risk auditee.

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2011.

SCHEDULE OF FINDIINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

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