
FILM PRIZE FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

FILM PRIZE FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Film Prize Foundation, Inc.
Shreveport, Louisiana

Opinion

We have audited the accompany financial statements of Film Prize Foundation, Inc. (the “Foundation”) (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Film Prize Foundation, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to or on behalf of the agency head on page 16 is presented for purposes of additional analysis 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Film Prize Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of 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 the Film Prize Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Film Prize Foundation, Inc.'s internal control over financial reporting and compliance.

Postlethwaite & Netterville

Shreveport, Louisiana
September 29, 2023

FILM PRIZE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets:		
Cash	\$ 96,883	\$ 245,487
Contributions and grants receivable	47,500	76,884
Prepaid expenses	-	2,289
Total current assets	144,383	324,660
Property and equipment, net	26,111	31,349
Total assets	\$ 170,494	\$ 356,009
LIABILITIES AND NET ASSETS (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 36,002	\$ 10,416
Accrued expenses	4,941	5,689
Due to related parties	286,091	201,951
Current maturities of long-term debt	5,748	3,403
Total current liabilities	332,782	221,459
Long-term debt, less current maturities	133,847	145,775
Total liabilities	466,629	367,234
Net assets (deficit):		
Without donor restrictions	(296,135)	(11,225)
Total net assets (deficit)	(296,135)	(11,225)
Total liabilities and net assets (deficit)	\$ 170,494	\$ 356,009

See accompanying notes to financial statements.

FILM PRIZE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenues and support:			
Contributions and grants	\$ 49,854	\$ 203,966	\$ 253,820
Donations and sponsorships	582,684	45,000	627,684
Ticket sales	250,938	-	250,938
Other revenues	15,831	-	15,831
Net assets released from restriction:			
Satisfaction of donor restrictions	248,966	(248,966)	-
Total revenues and support	<u>1,148,273</u>	<u>-</u>	<u>1,148,273</u>
Expenses:			
Program services	1,313,802	-	1,313,802
General and administrative	119,381	-	119,381
Total expenses	<u>1,433,183</u>	<u>-</u>	<u>1,433,183</u>
Change in net assets	(284,910)	-	(284,910)
Net assets (deficit), beginning of year	(11,225)	-	(11,225)
Net assets (deficit), end of year	<u>\$ (296,135)</u>	<u>\$ -</u>	<u>\$ (296,135)</u>

(continued)

See accompanying notes to financial statements.

FILM PRIZE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenues and support:			
Contributions and grants	\$ 93,500	\$ 134,384	\$ 227,884
Donations and sponsorships	537,906	39,825	577,731
Ticket sales	79,184	-	79,184
Other revenues	39,651	-	39,651
Net assets released from restriction:			
Satisfaction of donor restrictions	198,883	(198,883)	-
Total revenues and support	<u>949,124</u>	<u>(24,674)</u>	<u>924,450</u>
Expenses:			
Program services	721,618	-	721,618
General and administrative	100,893	-	100,893
Total expenses	<u>822,511</u>	<u>-</u>	<u>822,511</u>
Other income (expenses):			
Gain on extinguishment of debt	40,434	-	40,434
Total other income (expenses)	<u>40,434</u>	<u>-</u>	<u>40,434</u>
Change in net assets	167,047	(24,674)	142,373
Net deficit, beginning of year	(178,272)	24,674	(153,598)
Net assets (deficit), end of year	<u>\$ (11,225)</u>	<u>\$ -</u>	<u>\$ (11,225)</u>

See accompanying notes to financial statements.

FILM PRIZE FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Expenses:			
Festival and special events	\$ 411,642	\$ -	\$ 411,642
Contract labor	179,765	23,163	202,928
Salaries and wages	173,888	-	173,888
Awards and prizes	157,218	-	157,218
Travel	83,636	9,304	92,940
Advertising and promotion	77,356	1,643	78,999
Design and printing costs	75,997	266	76,263
Other	29,224	11,256	40,480
Payroll taxes	29,147	9,531	38,678
Technology	26,330	9,730	36,060
Professional fees	8,782	18,274	27,056
Meals and entertainment	21,771	4,164	25,935
Insurance	-	13,805	13,805
Security	13,038	-	13,038
Rent	2,948	10,000	12,948
Office expenses	10,560	1,958	12,518
Grant Expense	10,000	-	10,000
Interest	-	5,356	5,356
Supplies	2,500	931	3,431
Utilities and telephone	-	-	-
Total expenses	<u>\$ 1,313,802</u>	<u>\$ 119,381</u>	<u>\$ 1,433,183</u>

(continued)

See accompanying notes to financial statements.

FILM PRIZE FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Expenses:			
Festival and special events	\$ 197,156	\$ 102	\$ 197,258
Salaries and wages	144,192	14,522	158,714
Contract labor	69,283	6,855	76,138
Awards and prizes	66,747	-	66,747
Travel	48,629	4,143	52,772
Advertising and promotion	46,821	2,500	49,321
Other	7,430	6,935	14,365
Design and printing costs	42,517	210	42,727
Payroll taxes	29,861	3,096	32,957
Grants	32,932	-	32,932
Professional fees	5,993	24,493	30,486
Meals and entertainment	8,312	5,853	14,165
Rent	-	12,500	12,500
Office expenses	7,146	2,184	9,330
Technology	2,183	5,352	7,535
Interest	3,439	2,818	6,257
Security	6,058	-	6,058
Insurance	813	4,360	5,173
Utilities and telephone	359	3,823	4,182
Supplies	1,747	1,147	2,894
Total expenses	<u>\$ 721,618</u>	<u>\$ 100,893</u>	<u>\$ 822,511</u>

See accompanying notes to financial statements.

FILM PRIZE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ (284,910)	\$ 142,373
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,527	4,643
Gain on extinguishment of debt	-	(40,434)
Changes in operating assets and liabilities:		
Receivables	29,384	(46,884)
Prepaid expenses	2,289	(2,165)
Accounts payable	25,586	1,663
Accrued expenses	(748)	(600)
Due from related parties	84,140	(4,785)
Net cash provided by (used in) operating activities	(136,732)	53,811
Cash Flows from Investing Activities:		
Purchase of property and equipment	(2,289)	(22,755)
Net cash used in investing activities	(2,289)	(22,755)
Cash Flows from Financing Activities:		
Proceeds from Paycheck Protection Program loan	-	40,434
Payments on long-term debt	(9,583)	(822)
Payments on line of credit	-	(41,209)
Net cash used in financing activities	(9,583)	(1,597)
Net (decrease)/increase in cash	(148,604)	29,459
Cash at beginning of year	245,487	216,028
Cash at end of year	\$ 96,883	\$ 245,487
Supplemental Disclosures:		
Cash paid for interest	\$ 11,618	\$ 6,257

See accompanying notes to financial statements.

FILM PRIZE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Accounting Policies

Nature of Activities

The Film Prize Foundation, Inc. (the “Foundation”) is a Louisiana nonprofit 501(c)(3) corporation formed in 2012. The objective of the Foundation is to promote short film productions in the Northwest Louisiana area by having an annual contest. Individuals across the country are invited to shoot a short film centered in the Shreveport and Bossier City, Louisiana area with winners receiving grants and prizes. The Foundation supports other local activities by having additional contests and festivals including the Louisiana Startup Prize, Louisiana Music Prize, Film Prize Jr., Film Prize Jr. New Mexico, and Louisiana Food Prize.

Basis of Accounting

These financial statements are presented on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“GAAP”). As required by GAAP, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless the use of the asset is limited by donor-imposed restrictions. Expenses are recorded as decreases in net assets without donor restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Exempt Status

The Foundation is a nonprofit organization exempt from income taxes under provisions of the Internal Revenue Service Code Sections 501(c)(3) and the Louisiana Revised Statutes; therefore, no provision has been made for federal and state income taxes.

The Foundation applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Foundation has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities.

FILM PRIZE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Accounting Policies (continued)

Cash

Cash includes amounts on deposit at local financial institutions.

Contributions and Grants Receivable

Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Grants receivable represent billings which are based on expense reimbursement contracts with government agencies. Grants receivable are stated at the amount management expects to collect from outstanding balances.

Periodically, the Foundation evaluates its receivables and establishes an allowance for doubtful accounts based on specifically identified amounts believed to be uncollectible. Past-due receivable balances are written off against the allowance when all attempts to collect the receivable have failed. The Foundation has determined that no allowance for doubtful accounts is necessary as of December 31, 2022 and 2021. The Foundation's policy is not to accrue interest on accounts receivable.

Property and Equipment

Property and equipment are recorded at cost if purchased and fair market value if donated. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. Useful lives for property and equipment range from 5 to 8 years. Repair and maintenance costs are expensed as incurred; major betterments and renewals are capitalized.

Management evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized if the assets are not recoverable and the fair value is less than the carrying value.

Contributions, Grants, and Revenue Recognition

The Foundation recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. 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.

A portion of the Foundation's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Foundation was awarded \$203,050 of government grants which were conditioned upon the incurrence of allowable qualifying expenses. As of December 31, 2022, \$32,500 has not been recognized as revenue as the Foundation did not incur qualifying expenses to seek reimbursement. This remaining balance was forfeited by the Foundation.

FILM PRIZE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Accounting Policies (continued)

Contributions, Grants, and Revenue Recognition (continued)

Sales revenues for festival tickets and merchandise are recognized when tickets and items are sold or as services are provided at a point in time. Revenue for these performance obligations, satisfied at a point in time, is generally recognized when goods or services are provided to customers and the Foundation is not required to provide additional goods or services related to that sale. The Foundation did not have performance obligations that were unsatisfied or partially unsatisfied at December 31, 2022 or 2021.

Advertising Costs

The Foundation uses advertising to promote its programs and events to the audiences it serves. Advertising costs are expensed as incurred and totaled \$78,999 and \$49,321 for the years ended December 31, 2022 and 2021, respectively.

Recently Adopted Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) issued ASU 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Foundation's fiscal year ending December 31, 2022. The adoption of this standard did not have an impact on the financial statements.

The Foundation adopted new accounting guidance in connection with its implementation of FASB ASU No. 2016-02, Leases (Topic 842), which requires the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. The Foundation adopted the standard, using the modified retrospective method, effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. The adoption of this standard did not have an impact on the financial statements.

The Foundation elected the short-term practical expedient, which does not require the recognition of a ROU asset and lease liability on the balance sheet for leases with a term of 12 months or less. The Company leases office space and equipment, all of which are month-to-month or short-term leases. Lease cost recognized in the statements of activities was \$12,948 and \$12,210 for the years ended December 31, 2022 and 2021, respectively.

Functional Allocation of Expenses

The statements of activities and statements of functional expenses report expenses by both natural and functional classification. Certain expenses have been allocated directly by their natural expenditure classification of program services or general and administrative. Costs are typically charged to the function they benefit. However, some costs are allocated between program services and general and administrative services, as determined by management on an equitable basis. Salaries and benefits are allocated based on time and effort.

FILM PRIZE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

2. Receivables

Receivables as of December 31, 2022 and 2021, consists of contributions and grants receivable of \$47,500 and \$76,884, respectively. All receivables are expected to be collected within one year. No allowance for bad debt was recorded as of December 31, 2022 and 2021.

3. Property and Equipment

Property and equipment as of December 31, 2022 and 2021, consisted of the following:

	2022	2021
Furniture, fixtures, and equipment	\$ 39,019	\$ 36,730
Property and equipment, at cost	39,019	36,730
Less accumulated depreciation and amortization	(12,908)	(5,381)
Property and equipment, net	\$ 26,111	\$ 31,349

Depreciation expense amounted to \$7,527 and \$4,643 for the years ended December 31, 2022 and 2021, respectively.

4. Restrictions on Net Assets

At December 31, 2022, the Foundation had no net assets with donor restrictions. Net assets in the amount of \$248,966 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

At December 31, 2021, the Foundation had no net assets with donor restrictions. Net assets in the amount of \$198,883 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

5. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of the date of the statements available to meet cash needs for general expenditures within one year:

	2022	2021
Financial assets available to meet cash needs for general expenditures within one year	\$ 144,383	\$ 322,371

6. Line of Credit

The Foundation had a \$100,000 line of credit with a bank which matured on June 4, 2021. Interest on borrowings was paid monthly at 4% above the Wall Street Journal prime rate with a floor of 7.25%, collateralized by real estate and deposit accounts. The outstanding balance on the line of credit was paid off in 2021.

FILM PRIZE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

7. Long-Term Debt

Long-term debt consists of the following:

	2022	2021
2.75% note payable to U.S. Small Business Administration ("SBA"), due April 2050, funded under the SBA's Economic Injury Disaster Loan program, collateralized by property and equipment	\$ 139,595	\$ 149,178
Total	139,595	149,178
Less: current maturities	(5,748)	(3,403)
Long-term debt	\$ 141,619	\$ 145,775

The aggregate amounts of long-term debt maturing in each of the next five years and thereafter are as follows:

2023	\$	4,238
2024		4,363
2025		4,491
2026		4,624
2027		4,760
2028 and thereafter		123,381
Total maturities	\$	145,857

8. Paycheck Protection Program Loan

On January 12, 2021, the Foundation applied for a second draw PPP loan (the "PPP Loan") pursuant to the Consolidated Appropriations Act, 2021 (the "CAA") that was signed into law in December 2020. The Foundation received approval of the PPP Loan funding of \$40,434 on January 25, 2021, under the provisions of the CAA's PPP Phase II program. PPP Loan recipients funding could be granted forgiveness for all or a portion of loans granted subject to certain conditions, based on the use of the loan proceeds for payment of payroll costs and other operational expenses, mortgage interest, rent, utilities, or worker protection costs. On September 1, 2021, the Foundation received full forgiveness of the PPP Loan. The Foundation recognized a gain on extinguishment of debt (and derecognized the loan) of \$40,434 for the year ended December 31, 2021.

8. Concentration of Credit Risk

The Foundation maintains cash deposits at certain financial institutions which, at times, may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Foundation has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk related to cash.

FILM PRIZE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

9. Related Party Transactions

The Foundation subleases office space from a related party on month-to-month terms. The operating lease provides for a monthly rental of \$1,000. Rent expense for this property for 2022 and 2021 was \$12,000. The monthly rental payments were made directly to the landlord.

The Foundation has balances due upon demand to two related parties, which do not bear interest. The total amounts due to each of the related parties as of December 31, 2022 and 2021, were \$275,623, \$10,468 and \$191,483, \$10,468, respectively.

10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2023, which is the date that the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2022, that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

FILM PRIZE FOUNDATION, INC.
SHREVEPORT, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO OR ON BEHALF OF THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head: Gregory Kallenberg, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

The Foundation is not required to report the total compensation, reimbursements, and benefits paid to the agency head as these costs are supported by private funds.

See accompanying independent auditors' report.

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 of
Film Prize Foundation, Inc.

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 financial statements of Film Prize Foundation, Inc. (the "Foundation," a nonprofit organization) and subsidiaries, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the Foundation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

Foundation’s Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Shreveport, Louisiana
September 29, 2023

FILM PRIZE FOUNDATION, INC.
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022

2022-001 Timely Submission to the Louisiana Legislative Auditor

- Criteria: Under Louisiana statute (LA R.S. 24:513), the Foundation is required to submit a compilation of its annual financial statements prepared in accordance with U.S. generally accepted accounting principles to the Legislative Auditor of the State of Louisiana by June 30 of each year.
- Condition: The Organization did not meet the June 30, 2023, deadline for reporting to the State of Louisiana.
- Cause: The delay in reporting to the State of Louisiana was due to the timeliness of information and support provided by the Foundation to complete the audit by the deadline.
- Effect: The Foundation is non-compliant with the state audit law with respect to timeliness of submission.
- Recommendation: We recommend that the Foundation implement procedures to ensure that reporting to the State of Louisiana is completed timely for years in which the Foundation has state or local government revenues.
- Management's Response: Management will review total funding received by state and local governments on an annual basis to ensure proper compliance with the Legislative Auditor of the State of Louisiana by June 30 of each year. Additionally, Management will review with their accountants on an annual basis any future state and local government promises to give to ensure any amounts earned but not received have been properly accounted for.

FILM PRIZE FOUNDATION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022

2021-001 Timely Submission to the Louisiana Legislative Auditor

Criteria:	Under Louisiana statute (LA R.S. 24:513), the Foundation is required to submit a compilation of its annual financial statements prepared in accordance with U.S. generally accepted accounting principles to the Legislative Auditor of the State of Louisiana by June 30 of each year.
Condition:	The Organization did not meet the June 30, 2022, deadline for reporting to the State of Louisiana.
Cause:	The Foundation was not aware of the requirement to report to the State of Louisiana which is required as a result of the Foundation incurring expenses reimbursable by state and local government funding during 2022.
Effect:	The Foundation is non-compliant with the state audit law with respect to timeliness of submission.
Recommendation:	We recommend that the Foundation implement procedures to ensure that reporting to the State of Louisiana is completed timely for years in which the Foundation has state or local government revenues.
Status	Not resolved. See repeat finding 2022-001.