

**GREATER NEW ORLEANS  
SPORTS FOUNDATION**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**

***Sean M. Bruno***

***Certified Public Accountants, LLC***

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*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
**Greater New Orleans Sports Foundation**  
New Orleans, Louisiana

***Opinion***

I have audited the accompanying financial statements of the **Greater New Orleans Sports Foundation (the Foundation)**, (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Basis for Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Foundation** as of June 30, 2022, 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.

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

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

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

*Auditor's Responsibility for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **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 my 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.

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

## **Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other payments on page 23 is presented for purposes of additional analysis and is not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated December 8, 2022 on my consideration of **the Foundation's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **the Foundation'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 Foundation's** internal control over financial reporting and compliance.



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

December 8, 2022

***Sean M. Bruno***

***Certified Public Accountants, LLC***

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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ASSETS

Cash and cash equivalents (NOTES 2, 5, 6 and 10)	\$	647,587
Investments (NOTE 6)		2,247,858
Receivables (NOTES 6 and 10))		150,000
Due from affiliate (NOTE 7)		6,066,303
Prepaid expense		64,308
Office furniture and equipment, net of accumulated depreciation of \$240,005 (NOTES 2 and 3)		9,214
		<hr/>
Total assets	\$	<u><u>9,185,270</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable (NOTE 6)	\$	62,490
Deferred revenue		27,200
Other liabilities		28,190
Line of credit (NOTES 12 and 13)		5,160,000
Total liabilities		<hr/> <u>5,277,880</u>
Net Assets (NOTE 2):		
Without Donor Restrictions		3,907,390
With Donor Restrictions		<hr/> -
Total net assets		<hr/> <u>3,907,390</u>
Total liabilities and net assets	\$	<u><u>9,185,270</u></u>

The accompanying notes are an integral part of these financial statements

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>			
Grants and contracts (NOTE 8)	\$ 1,622,197	\$ -	\$ 1,622,197
Membership revenue	217,843	-	217,843
PPC loan forgiveness	221,438	-	221,438
Management fee revenue	60,000	-	60,000
Event revenue	307,373	-	307,373
Premier season tickets	68,900	-	68,900
Sponsorships and donations revenue	60,633	-	60,633
Interest income	928	-	928
Unrealized gains	(115,216)	-	(115,216)
Other	251	-	251
<b>Total revenue and support</b>	<u>2,444,347</u>	<u>-</u>	<u>2,444,347</u>
<b>Expenses:</b>			
Program services	1,760,898	-	1,760,898
Support services	438,317	-	438,317
<b>Total expenses</b>	<u>2,199,215</u>	<u>-</u>	<u>2,199,215</u>
<b>Changes in net assets</b>	<u>245,132</u>	<u>-</u>	<u>245,132</u>
<b>Net Assets:</b>			
Beginning of the year	<u>3,662,258</u>	<u>-</u>	<u>3,662,258</u>
<b>End of year</b>	<u>\$ 3,907,390</u>	<u>\$ -</u>	<u>\$ 3,907,390</u>

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

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services	Support Services	Total Expenses
Salaries and related benefits	\$ 1,100,295	\$ 275,074	\$ 1,375,369
Insurance	-	37,771	37,771
Depreciation	-	779	779
Rent	48,199	12,050	60,249
Repair and maintenance contracts	-	5,459	5,459
Supplies	-	7,234	7,234
Computer	-	23,231	23,231
Telephone	-	17,540	17,540
Postage	-	1,759	1,759
Ground transportation	412	-	412
Internet services	-	4,228	4,228
Bank fees	-	7,466	7,466
Miscellaneous	-	13,181	13,181
Printing	-	1,015	1,015
Professional services	117,699	-	117,699
Media and promotion	117,732	-	117,732
Conference and meeting	-	3,034	3,034
Travel	-	8,434	8,434
Dues/Subscriptions	-	6,130	6,130
Office utilities	47,366	11,842	59,208
Donations	-	2,090	2,090
Sporting event expenses	329,195	-	329,195
	<u>\$ 1,760,898</u>	<u>\$ 438,317</u>	<u>\$ 2,199,215</u>
Total expenses	<u>\$ 1,760,898</u>	<u>\$ 438,317</u>	<u>\$ 2,199,215</u>

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



**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Cash Flows From Operating Activities**

Change in net assets	\$ 245,132
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	779
PPC loan forgiveness	(221,438)
Loss on investment	115,216
Decrease in receivables	208,009
Increase in due from affiliate	(6,063,666)
Increase in prepaid expenses	(21,988)
Increase in accounts payable	52,592
Decrease in deferred revenue	(900)
Increase in other liabilities	<u>27,827</u>
Net cash used by operating activities	<u>(5,658,437)</u>

**Cash Flows From Financing Activities**

Proceeds from line of credit	<u>5,160,000</u>
Net cash provided by financing activities	<u>5,160,000</u>
Net decrease in cash and cash equivalents	(498,437)
Cash and cash equivalents - July 1, 2021	<u>1,146,024</u>
Cash and cash equivalents - June 30, 2022	<u><u>\$ 647,587</u></u>

The accompanying notes are an integral part of these financial statements

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - ORGANIZATION:

The **Greater New Orleans Sports Foundation (the Foundation)** was formed on August 2, 1988 as a non-profit organization to bring together by association, sports minded people who will devote a portion of their time, energy and financial support to the development of sport tourism and related industries in the City of New Orleans and surrounding regions. Also, **the Foundation** was organized to provide for the exchange among members of the organization such information, ideas and support necessary to attract and assist in the coordination and production of sports events in the New Orleans area. As a result of a management decision, the Board of Directors passed a resolution on January 9, 2015 to change **the Foundation's** year end from December 31 to June 30.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis Presentation

For the year ended June 30, 2022, **the Foundation** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Basis Presentation, Continued

statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. **The Foundation** adopted this standard for the year ended June 30, 2022 and its implementation is reflected in the financial statements.

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

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

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

At June 30, 2022, **the Foundation** did not have any Net Assets With Donor Restrictions.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Basis Presentation, Continued

Contributions

**The Foundation** accounts for contributions in accordance with FASB ASC Section 958-605, *Not-for-Profit Entities, Revenue Recognition*, accounting for contributions received and contributions made. In accordance with FASB ASC Section 958-605, contributions are recorded as Net Assets Without Donor Restrictions or Net Assets With Donor Restrictions depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenues are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and represented in the Statement of Activities as net assets released from restrictions.

Fixed Assets

**The Foundation** capitalizes all fixed asset purchases with a unit cost greater than \$5,000 and a useful life greater than one year. Fixed assets are stated at cost if purchased, or at fair market value at the date of the gift, if donated. Depreciation on office furniture and equipment is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

Cash and Cash Equivalents

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

Fair Value

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

Functional Allocation of Expenses

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

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 3 - FIXED ASSETS:

Changes in office furniture and equipment and leasehold improvements during the year ended June 30, 2022 were as follows:

<u>Description</u>	<u>Balance June 30, 2021</u>	<u>Additions (Deletions)</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Balance June 30, 2022</u>
Office furniture and equipment	\$ 237,539	\$ -0-	\$( 237,539)	\$ -0-
Leasehold Improvements	<u>11,680</u>	<u>-0-</u>	<u>( 2,466)</u>	<u>9,214</u>
Total	\$ <u>249,219</u>	\$ <u>-0-</u>	\$( <u>240,005</u> )	\$ <u>9,214</u>

Amortization expense for the year ended June 30, 2022 totaled \$779.

NOTE 4 - INCOME TAXES:

**The Foundation** is exempt from corporate income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **the Foundation's** tax status be challenged in the future, the 2019, 2020, and 2021 tax years are open for examination by the IRS.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 5 - CONCENTRATION OF CREDIT RISK:**

Financial instruments that potentially subject **the Foundation** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At June 30, 2022, **the Foundation** had cash and cash equivalents in the bank totaling \$660,636.

The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2022, **the Foundation's** uninsured cash balances totaled \$410,639.

**NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:**

In accordance with FASB ASC Topic 820 fair value is defined as the price that **the Foundation** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability.

ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED:

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

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

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



**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 6 - **FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED:**

The following table summarizes the valuation of **the Foundation's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of June 30, 2022 are as follows:

	<u>Carry Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 647,587	\$ 647,587
Investments	\$ 2,247,858	\$2,247,858
Receivables	\$ 150,000	\$ 150,000
Accounts payable	\$ 62,490	\$ 62,490
Deferred revenue	\$ 27,200	\$ 27,200

NOTE 7 - **RELATED PARTY TRANSACTION / MANAGEMENT FEES DUE TO / DUE FROM AFFILIATE / NON-MONETARY TRANSACTIONS:**

**New Orleans Bowl / Non-Monetary Transactions**

Certain board members of **the Foundation** are also board members of the New Orleans Bowl, Inc. **The Foundation** has contracted with the New Orleans Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the New Orleans Bowl. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. **The Foundation** is also due certain expense reimbursements from the New Orleans Bowl in conjunction with game management. The amount due from the New Orleans Bowl at June 30, 2022 totaled \$3,770.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 7 - RELATED PARTY TRANSACTION / MANAGEMENT FEES  
DUE TO / DUE FROM AFFILIATE / NON-MONETARY TRANSACTIONS  
CONTINUED:

**2022 NCAA Men's Final Four**

Certain board members of **the Foundation** are also board members of the 2022 NCAA Men's Final Four (a non-profit organization) to manage and handle the administrative functions of hosting the 2022 NCAA Men's Final Four. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the 2022 NCAA Men's Final Four.

**The Foundation** is also due certain expense reimbursements from the 2022 NCAA Men's Final Four in conjunction with game management. The amount due from the 2022 NCAA Men's Final Four at June 30, 2022 totaled \$6,062,533.

NOTE 8 - GRANTS AND CONTRACTS:

**The Foundation** is the recipient of grants and contracts from various sources in the amount of \$1,622,197. The grants and contracts were primarily utilized to support the activities of the **Greater New Orleans Sports Foundation**.

**The Foundation** was primarily funded through the following grants and contracts for the year ended June 30, 2022.

<u>Funding Source</u>	<u>Revenue</u>
Contract revenues:	
Department of the Treasury –	
New Orleans Fairgrounds Slots Tax	\$ 1,152,197
State of Louisiana	<u>400,000</u>
Total contract revenues	<u>1,552,197</u>
Grants:	
The Joe W. & Dorothy Dorsett Building	
Operational Cost	<u>70,000</u>
Total Grants and Contracts	<u>\$ 1,622,197</u>

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 9 - COMMITMENTS AND CONTINGENCIES:

Grants and Contracts

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

Operating Lease

**The Foundation** leases office space under the terms of an operating lease. The terms of the lease was one year beginning July 18, 2016 and ended on July 17, 2017. The lease was amended in 2017 and amended again on May 13, 2021. This extended the lease term until December 31, 2025. Future minimum lease payments under the terms of the operating lease as of June 30, 2022 were:

2023	\$ 60,249
2024	60,249
2025	60,249
2026	<u>30,125</u>
Total	<u>\$210,872</u>

The office space rent expense totaled \$60,249 for the year ended June 30, 2022.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 10 - 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:

Cash and cash equivalents	\$647,587
Receivables	<u>150,000</u>
	<u>\$797,587</u>

Management has a goal to maintain sufficient financial resources on hand to meet sixty (60) days of normal operating expenses.

NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS:

In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers*, (Topic 606) which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. This standard is effective for fiscal years beginning after December 31, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. **The Foundation** has implemented ASU 2014-09 and has adjusted the presentation of financial statements and related disclosures.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU amendments include changes related to how certain equity investments are measured, how changes are recognized in the fair value of certain financial liabilities measured under the fair value option, and how financial assets and liabilities are disclosed and presented on **the Foundation's** financial statements. Additionally, the ASU will also require entities to present financial assets and financial liabilities separately, grouped by measurement category and form of financial asset in the statement of financial position or in the accompanying notes to the financial statements. Entities will also no longer have to disclose the methods and significant assumptions for financial instruments measured at amortized cost, but will be required to measure such instruments under the "exit price" notion for disclosure purposes.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED:

The ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted only as of annual reporting periods beginning after December 15, 2017. **The Foundation** has implemented the ASU 2016-01 and has adjusted the presentation of the financial statements accordingly.

In February 2016, the FASB issued ASU no. 2016-02, *Leases* (Topic 842) which requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. For public business entities, certain not-for-profit entities, and certain employee benefit plans, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. **The Foundation** is currently assessing the impact on these pronouncements on its financial statements. The implementation date has been extended to entities with fiscal years beginning after December 15, 2021.

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credits Losses (Topic 326), Derivative and Hedging (Topic 815) and Leases (Topic 842)* which amended ASU 2016-02. This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2020 with early adoption permitted. In June 2020, the FASB issued ASU 2020-05, which amends the effective date of the standards on Topic 842 to give immediate relief to certain entities as a result of the widespread adverse economic effects and business disruptions caused by the coronavirus disease 2019 (COVID-19) pandemic. The Board deferred the effective date of Topic 842 for private companies, private-not-for-profit entities, and public non-for-profit entities. The deferral only applies if those entities have not yet issued their financial statements (or made their financial statements available for issuance) as of June 3, 2020. **The Foundation** expects to adopt ASU 2020-05 for fiscal years beginning after December 15, 2021 but does not believe that this standard will have a material impact on its financial statements or disclosures.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS, CONTINUED:**

In August 2016, the FASB issued Accounting Standards Update (ASU) ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which significantly changes the presentation requirements for financial statements of not-for-profit entities. The amendments are intended to improve the guidance on net asset classification as well as the information presented in the financial statements and notes regarding liquidity, financial performance and cash flows for not-for-profit entities. Specifically, the ASU: 1) reduces complexity and improves understandability of net asset classifications, 2) improves transparency and utility of information regarding an entity's liquidity, 3) improves consistency in the type of information provided about expenses, and 4) improves consistency in the reporting of operating cash flows in the statement of cash flows. The ASU is effective for annual periods beginning after December 15, 2017. **The Foundation** has implemented ASU 2016-14 and has adjusted the presentation of the financial statements accordingly.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments in this Update are effective for nonpublic entities for annual periods beginning after December 15, 2018, with early adoption permitted. **The Foundation** does not expect the new guidance to have a material impact on **the Foundation's** financial statements.

**NOTE 12 - LINE OF CREDIT**

**The Foundation** executed an unsecured line of credit with a financial institution in the amount of \$9,500,000 with a variable interest rate of 3.5% on March 25, 2022. The due date of the line of credit was July 31, 2022 but was extended to October 31, 2022. At June 30, 2022, **the Foundation** borrowed \$5,160,000 of the line of credit.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 13 - SUBSEQUENT EVENTS:

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **the Foundation** has evaluated subsequent events and the reason for selecting that date. **The Foundation** evaluated subsequent events from July 1, 2022 to December 8, 2022, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. Although it is unknown how long these conditions will last and what the complete financial consequences will be, to date, the Organization has not experienced an adverse financial impact due to the coronavirus outbreak. However, it is likely that the financial statements will be affected by declining revenue in the 2021-22 fiscal year.

On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief and Economic Security (the "CARES ACT"), which, among other things, outlines the provisions of the Paycheck Protection Program (the "PPP"). **The Foundation** determined that it met the criteria to be eligible to obtain a loan under the PPP because, among other reasons, in light of COVID-19 outbreak and the uncertainty of economic conditions related thereto, the loan was necessary to support **the Foundation's** ongoing operations. Under the PPP, **the Foundation** could obtain a U. S. Small Business Administration loan in an amount equal to the average of **the Foundation's** monthly payroll costs (as defined under the PPP) for calendar year 2019 multiplied by 2.5 (approximately 10 weeks of payroll costs). Section 1106 of the CARES ACT contained provisions for the forgiveness of all or a portion of a PPP loan, subject to the satisfaction of certain requirements. The amount eligible for forgiveness is, subject to certain limitations the sum of **the Foundation's** payroll costs, rent, utilities paid **the Foundation** during the eight-week period beginning on the funding date of the PPP loan. **The Foundation** used the entire loan amount for qualified expenses.

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 13 - SUBSEQUENT EVENTS, CONTINUED:

On January 20, 2021, **the Foundation** received approval for a PPP loan in the amount of \$221,438, which was transferred by **the Foundation** into an account dedicated to allowable uses of the PPP loan proceeds.

On August 2, 2021, **the Foundation** received notification that the Small Business Association fully approved **the Foundation's** request for loan forgiveness of the PPP loan totaling \$221,438. The PPP loan has been paid off and no further action is required from **the Foundation**.



**SUPPLEMENTAL INFORMATION**

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER (STATEMENT C)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Agency Head Name/Title:** Jay Cicero, President / CEO

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 370,000
Benefits-health insurance	25,830
Benefits-retirement	11,600
Benefits-cell phone	-
Benefits-disability insurance	5,101
Car allowance	9,000
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	551
Other (Gas and vehicle maintenance)	28

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

See Accompanying Independent Auditor's Report

*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

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

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To the Board of Directors  
**Greater New Orleans Sports Foundation**  
New Orleans, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Greater New Orleans Sports Foundation (the Foundation)** (a non-profit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 8, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Foundation's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the Foundation's** internal control.

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

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(CONTINUED)

**Report Internal Control Over Financial Reporting, Continued**

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

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

**Report on Compliance and Other Matters**

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

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

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(CONTINUED)

**Purpose of this Report**

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



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

December 8, 2022

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**SECTION 1 SUMMARY OF INDEPENDENT AUDITORS' REPORT**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of **the Foundation**.
2. No significant deficiencies in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of **the Foundation** were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended June 30, 2022.

**SECTION II FINANCIAL STATEMENT FINDINGS**

None

**GREATER NEW ORLEANS SPORTS FOUNDATION**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**None Noted.**

**GREATER NEW ORLEANS  
SPORTS FOUNDATION**

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

FOR THE YEAR ENDED  
JUNE 30, 2022

***Sean M. Bruno***  
***Certified Public Accountants, LLC***

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*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
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Society of Louisiana  
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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of **the Greater New Orleans Sports Foundation**  
**and the Louisiana Legislative Auditor**  
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **July 1, 2021 through June 30, 2022**. **The Foundation's** management is responsible for those C/C areas identified in the SAUPs.

**The Foundation** has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **July 1, 2021 through June 30, 2022**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain **the Foundation's** written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that **the Foundation** does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
**Results: No exceptions were noted.**
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
**Results: No exceptions were noted.**
  - c) ***Disbursements***, including processing, reviewing, and approving.  
**Results: No exceptions were noted.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Written Policies and Procedures, Continued*

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- d) *Receipts*, including receiving, recording, and preparing deposits

**Results: No exceptions were noted.**

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results: No exceptions were noted.**

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: No exceptions were noted.**

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

**Results: We noted that the Foundation only used credit cards.**

**No exceptions were noted.**

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: We noted that the Foundation did not use state funds for travel and expense reimbursements. State funds were primarily used for payroll and related benefits.**

**No exceptions were noted.**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read **the Foundation's** ethics policy. Note: Ethics requirements are not applicable to nonprofits.

**Results: Not applicable as the Foundation is a nonprofit organization.**

- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results: Not applicable as the Foundation is a nonprofit organization.**

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

PROCEDURES AND FINDINGS, CONTINUED

- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**No exceptions were noted.**

- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results: Not applicable as the Foundation is a nonprofit organization.**

*Board (or Finance Committee, if applicable)*

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document.

**Results: The finance committee met quarterly in accordance with the bylaws.**

**No exceptions were noted.**

- b) For those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds, if those public funds comprised more than 10% of the entity's collections during the fiscal period.

**Results: The minutes did reference the public funds.**

**No exceptions were noted.**

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results: Not applicable as the Foundation is a nonprofit organization.**

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

PROCEDURES AND FINDINGS, CONTINUED

***Bank Reconciliations***

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3. Obtain a listing of **Foundation's** bank accounts from management and management's representation that the listing is complete.

**Results: We obtained a listing of the Foundation bank accounts from management for the fiscal period. We also obtained management's representation that the listing was complete.**

Using the listing provided by management, select all **the Foundation's** bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

**Results: No exceptions were noted.**

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

**Results: No exceptions were noted.**

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Results: This procedure was not applicable. There were no reconciling items outstanding for more than six months as of the end of the fiscal period.**

***Collections***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results: This procedure is not applicable. Funding from the State of Louisiana is received by electronic transfers.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Collections, Continued*

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5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results: This procedure is not applicable. Funding from the State of Louisiana is received by electronic transfers. No cash collections.**

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**Results: This procedure is not applicable. Funding from the State of Louisiana is received by electronic transfers.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

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

PROCEDURES AND FINDINGS, CONTINUED

*Collections, Continued*

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- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Results: This procedure is not applicable. Funding from the State of Louisiana is received by electronic transfers.**

*Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)*

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- 8. Obtain a listing of **Foundation's** disbursements from management or, alternately, obtain the general ledger and sort/filter for **Foundation's** disbursements. Obtain management's representation that the listing or general ledger population is complete.

**Results: We obtained a listing of all disbursements made using funding from the State of Louisiana and a representation from management that the listing was complete.**

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results: No exceptions were noted.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments),  
Continued*

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**No exceptions were noted.**

*Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results: We obtained a listing of all active credit cards including the card numbers and names of persons who maintained possession of the cards and a representation from management that the listing was complete. The Foundation do not use bank debit cards, fuel cards and P-cards.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

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

PROCEDURES AND FINDINGS, CONTINUED

*Credit Cards/Debit Cards/Fuel Cards/P-Cards, Continued*

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**Results: No exceptions were noted. In addition, there were no finance charges or late fees assessed per review of the credit card statements.**

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results: All transactions were properly supported. No exceptions were noted.**

*Travel and Expense Reimbursement*

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).



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

PROCEDURES AND FINDINGS, CONTINUED

*Travel and Expense Reimbursement, Continued*

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- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results: No exception Noted. The Foundation utilizes the per diem basis. All reimbursements were reviewed and approved in accordance with prescribed guidelines.**

*Contracts*

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results: We obtained the sorted/filtered general ledger of all contract payments during the fiscal year ended June 30, 2022 from the Foundation, and a representation from management that the sorted/filtered general ledger was complete.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Contracts, Continued*

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**Results:** Based on procedures performed, we noted that there were formal/written contracts supporting the services arranged and the amount paid. We examined the contracts support and determined that none of the contracts were subject to the Louisiana Public Bid Law. We examined the formal/written contracts for the five (5) contract vendors and determined none of the contracts were amended.

**Results:** No exceptions were noted.

*Payroll and Personnel*

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** No exceptions were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** No exceptions were noted.

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

PROCEDURES AND FINDINGS, CONTINUED

*Payroll and Personnel, Continued*

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18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Results: Based on procedures performed, there were no terminated employees during the year.**

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results: The Foundation utilized a third-party servicer to process their payroll. The third-party servicer makes the payroll tax payments and retirement contribution payments on behalf of the Foundation. Each pay period, the funds are withdrawn from the Foundation's bank account by the third-party servicer to make the required timely payroll tax and retirement contribution payments. In addition, the third-party servicer prepares the quarterly and annual payroll tax returns. We examined the payroll tax registers from the third-party servicer, verifying the payment of the taxes, the quarterly and annual payroll tax returns, and timely submission of the required reporting forms in accordance with the required deadlines.**

**Results: No exceptions were noted.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results: The Foundation is a nonprofit organization and as such is not subject to the ethics training requirement. The Foundation does have an ethics policy to include a conflict of interest policy that each employee and board member is required to sign.**

*Debt Service*

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results: The Foundation is a nonprofit organization and as such is not subject to the Debt Service requirement.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Fraud Notice*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results: Management confirmed there were no misappropriations of public funds or assets, and we obtained representation from management that there were no misappropriations of public funds.**

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

**Results: We observed that the Foundation posted the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.**

*Information Technology Disaster Recovery/Business Continuity*

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25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results: The Foundation uses software that is hosted in the cloud that is continuously backed up. In addition, there is a server that is regularly backed up by a third-party servicer. All computers maintain valid antivirus software that is updated by a third party. No exceptions noted.**

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

PROCEDURES AND FINDINGS, CONTINUED

*Sexual Harassment*

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements.
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred.
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Results: The Foundation is a nonprofit organization and as such is not subject to the Sexual Harassment requirement.**

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

PROCEDURES AND FINDINGS, CONTINUED

We were engaged by **the Foundation** to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of **the Foundation** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



SEAN M. BRUNO  
CERTIFIED PUBLIC ACCOUNTANTS  
New Orleans, Louisiana

December 8, 2022