

MARKETUMBRELLA.ORG
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
marketumbrella.org

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of marketumbrella.org (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 present fairly, in all material respects, the financial position of marketumbrella.org as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of marketumbrella.org 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 opinions.

Responsibilities of Management for the Financial Statements

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

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



To the Board of Directors and Management of
marketumbrella.org
August 24, 2023

Auditor's 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 marketumbrella.org'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 marketumbrella.org'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.



To the Board of Directors and Management of
marketumbrella.org
August 24, 2023

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule “1” is presented for purposes of additional analysis and is not a 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 our opinion, the supplementary 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*, we have also issued our report dated August 24, 2023, on our consideration of marketumbrella.org’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 marketumbrella.org’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 marketumbrella.org’s internal control over financial reporting and compliance.

August 24, 2023
New Orleans, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel, LLP".

Certified Public Accountants

MARKETUMBRELLA.ORG
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 1,660,275	\$ 911,236
Accounts receivable	141,553	152,192
Grants receivable	400,000	200,000
Promises to give	49,489	-
Inventory	1,116	1,581
Prepaid insurance	5,549	9,101
Total current assets	2,257,982	1,274,110
<u>PROPERTY AND EQUIPMENT</u>		
Computer software	24,904	17,794
Equipment	16,868	16,868
Furniture	18,215	18,215
Tenant improvements	18,864	18,864
Trademarks	2,475	2,475
Total property and equipment	81,326	74,216
Less: accumulated depreciation	(58,763)	(52,749)
Net property and equipment	22,563	21,467
Total assets	\$ 2,280,545	\$ 1,295,577
LIABILITIES AND NET ASSETS		
<u>LIABILITIES:</u>		
Accounts payable	\$ 47,048	\$ 46,522
Accrued expenses	34,024	36,948
Tokens payable	68,406	46,260
Total liabilities	149,478	129,730
<u>NET ASSETS:</u>		
Without donor restrictions	1,192,143	1,012,977
With donor restrictions	938,924	152,870
Total net assets	2,131,067	1,165,847
Total liabilities and net assets	\$ 2,280,545	\$ 1,295,577

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>			
Grant income	\$ 808,835	\$ 1,229,155	\$ 2,037,990
Farmers' market management fee income	31,492	-	31,492
Gifts in-kind	193,782	49,489	243,271
Direct public support donations	123,476	-	123,476
Vendor rental income	135,580	-	135,580
Other income	14,252	-	14,252
Net assets released from restrictions	<u>492,590</u>	<u>(492,590)</u>	<u>-</u>
 Total revenues and support	 <u>1,800,007</u>	 <u>786,054</u>	 <u>2,586,061</u>
<u>EXPENSES:</u>			
Program activities	1,218,147	-	1,218,147
Supporting activities:			
Management and general	362,012	-	362,012
Fundraising	<u>40,682</u>	<u>-</u>	<u>40,682</u>
 Total expenses	 <u>1,620,841</u>	 <u>-</u>	 <u>1,620,841</u>
 Change in net assets	 179,166	 786,054	 965,220
 Net assets, beginning of year	 <u>1,012,977</u>	 <u>152,870</u>	 <u>1,165,847</u>
 Net assets, end of year	 <u>\$ 1,192,143</u>	 <u>\$ 938,924</u>	 <u>\$ 2,131,067</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>			
Grant income	\$ 316,604	\$ 351,030	\$ 667,634
Farmers' market management fee income	38,609	-	38,609
Donated services and use of facilities	168,891	-	168,891
Direct public support donations	225,346	-	225,346
Vendor rental income	104,596	-	104,596
Other income	9,163	-	9,163
Net assets released from restrictions	<u>290,180</u>	<u>(290,180)</u>	<u>-</u>
 Total revenues and support	 <u>1,153,389</u>	 <u>60,850</u>	 <u>1,214,239</u>
<u>EXPENSES:</u>			
Program activities	841,439	-	841,439
Supporting activities:			
Management and general	399,865	-	399,865
Fundraising	<u>10,528</u>	<u>-</u>	<u>10,528</u>
 Total expenses	 <u>1,251,832</u>	 <u>-</u>	 <u>1,251,832</u>
 Change in net assets	 (98,443)	 60,850	 (37,593)
 Net assets, beginning of year	 <u>1,111,420</u>	 <u>92,020</u>	 <u>1,203,440</u>
 Net assets, end of year	 <u>\$ 1,012,977</u>	 <u>\$ 152,870</u>	 <u>\$ 1,165,847</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Activities	Supporting Activities		Total
		Management and General	Fundraising	
Salaries and wages	\$ 371,428	\$ 140,793	\$ 21,213	\$ 533,434
Payroll taxes and employee benefits	<u>76,324</u>	<u>15,088</u>	<u>2,990</u>	<u>94,402</u>
Total salaries and related expenses	447,752	155,881	24,203	627,836
Direct grant costs	173,974	7,294	13,117	194,385
Contributions	159,772	-	-	159,772
Consultants and professional fees	156,982	96,580	1,188	254,750
Occupancy	136,228	57,554	-	193,782
Insurance	6,556	18,559	-	25,115
Advertising and promotion	60,559	1,486	-	62,045
Travel expenses	12,854	2,185	-	15,039
Printing	3,398	-	2,128	5,526
Bank charges	12,656	1,956	-	14,612
Telecommunication	12,379	1,284	-	13,663
Market supplies and merchandise	21,830	7,027	-	28,857
Facilities and equipment	5,045	3,222	-	8,267
Office expenses	5,635	2,127	46	7,808
Depreciation and amortization	-	6,015	-	6,015
Meetings and workshops	2,441	80	-	2,521
Miscellaneous	-	-	-	-
Postage	<u>86</u>	<u>762</u>	<u>-</u>	<u>848</u>
Total functional expenses	<u>\$ 1,218,147</u>	<u>\$ 362,012</u>	<u>\$ 40,682</u>	<u>\$ 1,620,841</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Activities	Supporting Activities		Total
		Management and General	Fundraising	
Salaries and wages	\$ 225,421	\$ 224,776	\$ -	\$ 450,197
Payroll taxes and employee benefits	<u>63,765</u>	<u>21,465</u>	<u>-</u>	<u>85,230</u>
Total salaries and related expenses	289,186	246,241	-	535,427
Direct grant costs	206,506	5,350	-	211,856
Contributions	11,500	-	-	11,500
Consultants and professional fees	65,364	72,709	-	138,073
Occupancy	146,935	21,956	-	168,891
Insurance	4,137	16,959	-	21,096
Advertising and promotion	60,033	6,351	-	66,384
Travel expenses	422	4,351	-	4,773
Printing	9,847	1,358	1,284	12,489
Bank charges	6,771	1,576	-	8,347
Telecommunication	8,198	1,820	-	10,018
Market supplies and merchandise	23,123	548	-	23,671
Facilities and equipment	3,275	1,124	-	4,399
Office expenses	4,121	12,262	9,244	25,627
Depreciation and amortization	-	3,528	-	3,528
Meetings and workshops	298	364	-	662
Miscellaneous	1,505	2,272	-	3,777
Postage	<u>218</u>	<u>1,096</u>	<u>-</u>	<u>1,314</u>
Total functional expenses	<u>\$ 841,439</u>	<u>\$ 399,865</u>	<u>\$ 10,528</u>	<u>\$ 1,251,832</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 965,220	\$ (37,593)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	6,015	3,528
Bad debt	-	12,129
(Increase) decrease in:		
Accounts receivable	10,639	(104,997)
Grants receivable	(200,000)	-
Promises to give	(49,489)	-
Inventory	465	2,389
Prepaid expenses	3,552	(4,849)
Increase (decrease) in:		
Accounts payable	526	26,344
Accrued expenses	(2,924)	4,687
Tokens payable	<u>22,146</u>	<u>38,703</u>
Net cash from (used for) operating activities	<u>756,150</u>	<u>(59,659)</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Cash paid for purchase of fixed assets	<u>(7,111)</u>	<u>(12,962)</u>
Net cash (used for) investing activities	<u>(7,111)</u>	<u>(12,962)</u>
Net increase (decrease) in cash	749,039	(72,621)
Cash and cash equivalents, beginning of year	<u>911,236</u>	<u>983,857</u>
Cash and cash equivalents, end of year	<u>\$ 1,660,275</u>	<u>\$ 911,236</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS**

Nature of Activities

marketumbrella.org (“MUO”) is an independent nonprofit, based in New Orleans, Louisiana whose mission is to cultivate the field of public markets for public good. MUO cultivates community markets that utilize local resources to bolster authentic local traditions. MUO has operated the Crescent City Farmers Market (“CCFM”) since 1995, an open-air farmers’ market in downtown New Orleans to achieve a triple bottom line: economic benefit for farmers, health benefits for consumers, and a vibrant public space for the community. MUO has expanded the weekly CCFM to five locations, three of which operate year-round. MUO provides technical assistance to other organizations in the field of public markets, providing tools for other markets to measure their impacts and best practices in market operations. MUO earns revenue primarily through individual donations, fees from operating farmers’ markets, and conducting healthy local food education supported by restricted grants.

In addition to the CCFM, MUO’s other major programs are as follows:

WIC/CVV Pilot Program – is a pilot program for accepting Women, Infant, and Children (WIC) Cash Value Vouchers (CVV) at the farmers’ market. WIC participants present their WIC booklets at the welcome tent of any five CCFM locations to receive \$48 in vouchers to spend on fruits and vegetables for up to six months.

Education and Advocacy – MUO conducts grassroots education and advocacy to improve opportunities for people to access healthy food in their communities.

Market Match – MUO offers incentives to vulnerable consumers to purchase the best local produce available at the markets and ReFresh Farmers Market.

Greaux the Good – Greaux the Good Louisiana gives direct-to-consumer food purveyors (such as farmers markets, farm stands, and produce stands) the opportunity to create or expand a Supplemental Nutrition Assistance Program (SNAP) or Farmers Market Nutrition Program (FMNP) nutrition incentive program.

Method of Accounting and Financial Reporting Framework

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under the provisions of the Codification, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of MUO 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 MUO. MUO's board may designate assets without restrictions for specific operational purposes from time to time.

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 MUO or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

MUO's management considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash and short-term investments held in a bank money market account are reported as investments instead of cash.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for farmers' market management fees. MUO determines the allowance for uncollectible accounts receivable based on historical experience and a review of subsequent collections. Balances that are determined to be uncollectible are written off. All accounts receivable balances are considered to be fully collectible by management. Accordingly, no provision for doubtful accounts is considered necessary as of December 31, 2022 and 2021.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Grants Receivable

MUO receives funding from various agencies for administering various grants. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met. Management closely monitors outstanding receivable balances and estimates an allowance for uncollectible receivables based on prior experience. All grants receivable balances are considered to be fully collectible by management. Accordingly, no provision for doubtful accounts is considered necessary as of December 31, 2022 and 2021.

Inventory

Inventory is stated at the lower of cost or net realizable value or, if applicable, fair value at the date of donation. Inventory consists of market-branded merchandise and promotional cookbooks.

Property and Equipment

Property and equipment are recorded at cost or, if applicable, at the estimated fair value at the date of donation. Certain costs incurred in connection with internally developed software are capitalized and amortized over the life of the asset. Depreciation and amortization is provided on the straight-line method over the estimated useful lives as follows:

Computer software	3 years
Equipment	5 years
Furniture	5 years
Tenant improvements	15 years
Trademark	10 years

Additions and betterments of \$500 or more are capitalized, while maintenance and repairs that do not extend the useful lives of the respective assets are expensed in the current year.

MUO reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended December 31, 2022 and 2021.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Tokens Payable

MUO facilitates sales for vendors at the CCFM by accepting credit card payments from customers in exchange for tokens. These tokens are used by customers for purchases. Vendors then use these tokens to pay booth rent to MUO or to redeem them for cash. As of December 31, 2022 and 2021, \$68,406 and \$46,260, respectively, represents the estimated fair value of unredeemed tokens.

Revenue Recognition

Management Fees

MUO recognizes revenue from farmers' market management fees over the length of the contract. Revenue recognized is determined by the contract terms or is based on reimbursable costs incurred related to the contract. All of these contracts are with not-for-profits and government agencies located in Louisiana.

Vendor Rent

Vendor rent is recognized as revenue when the services are provided at a point in time.

Merchandise and Liquid Sales

Merchandise and liquid sales (i.e. beverages sold at the CCFM) are recognized as revenue when the products are transferred and the services are provided at a point in time.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Gifts In-Kind

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received in accordance with Accounting Standards Codification (ASC) 958-605, “*Not-for-profit Entities – Revenue Recognition.*”

The members of the Board of Directors serve without compensation. Volunteers also assist in running the CCFM throughout the year. These services are not recorded as they do not meet the criteria for recognition under ASC 958-605.

Advertising Costs

MUO expenses advertising cost as incurred. Advertising expense charged to operations for the years ended December 31, 2022 and 2021 was \$62,045 and \$66,384, respectively.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of MUO.

Income Taxes

MUO is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the MUO’s tax-exempt purpose is subject to taxation as unrelated business income.

MUO’s evaluation as of December 31, 2022 revealed no tax positions that would have a material impact on the financial statements. The 2020 through 2022 tax years remain subject to examination by the IRS. MUO does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)

New Accounting Pronouncements - Adopted

MUO has adopted FASB Accounting Standards Update (Update) No. 2020-07, “*Not-for-Profit Entities (Topic 958): Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets.*” This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. This Update was applied on a retrospective basis and was effective for annual periods beginning after June 15, 2021. The adoption of this update did not have a material impact on MUO’s financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet. The adoption of these Updates had no material impact on MUO.

Date of Management Review

Management has evaluated subsequent events through August 24, 2023, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects MUO’s financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2022</u>	<u>2021</u>
Financial assets, at year end	\$ 2,201,828	\$ 1,263,428
Less those unavailable for general expenditure within one year due to:		
Donor imposed restrictions	<u>(938,924)</u>	<u>(152,870)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,262,904</u>	<u>\$ 1,110,558</u>

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(3) CONCENTRATION OF CREDIT RISK

MUO maintains its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022 and 2021, there were \$1,414,059 and \$676,925 of uninsured portions of bank balances.

For each of the years ended December 31, 2022 and 2021, one grantor represented 100% of grants receivable. For the years ended December 31, 2022 and 2021, one grantor represented 35% and two grantors represented 37% of total revenues, respectively.

(4) RESTRICTIONS ON NET ASSETS

As of December 31, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
WIC/CVV Pilot Program	\$ 22,654	\$ 20,919
Farm to School	1,465	2,085
Crescent City Farmers Market	1,793	3,046
Beginning Farmers Training Program	393	2,286
Education and Advocacy	11,592	109,976
Market Match	36,778	9,120
Market Mommas Club	2,404	2,404
Meet Me at the Market	-	3,034
Greaux The Good	812,013	-
Market Events	343	-
Office space	<u>49,489</u>	<u>-</u>
	<u>\$ 938,924</u>	<u>\$ 152,870</u>

As of December 31, 2022 and 2021, net assets released from restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
WIC/CVV Pilot Program	\$ 18,265	\$ 81
Farm to School	7,556	28,690
Crescent City Farmers Market	1,253	14,834
Beginning Farmers Training Program	26,482	-
Education and Advocacy	198,384	24
Market Match	151,506	240,211
Market Mommas Club	-	96
Meet Me at the Market	11,010	6,244
Greaux The Good	75,477	-
Meet Me at the Market	<u>2,657</u>	<u>-</u>
	<u>\$ 492,590</u>	<u>\$ 290,180</u>

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(5) ENDOWMENT CONTRIBUTIONS

MUO has received an unconditional, unrestricted, multiple-year pledge in perpetuity of only the income from various bequests to the Greater New Orleans Foundation. The fair value of this income cannot be reasonably estimated as it is under the control of the Greater New Orleans Foundation, which is an unrelated non-for-profit organization. As such, revenue from this pledge is not included in the financial statements until received. Money is distributed to MUO at the discretion of the Greater New Orleans Foundation. During the years ended December 31, 2022 and 2021, \$37,838 and \$37,172, were received from the endowments, respectively.

(6) CONTRIBUTED NONFINANCIAL ASSETS

MUO received contributed nonfinancial assets as follows for the years ended December 31st:

	2022	2021
Office space	\$ 74,414	\$ 24,195
Parking lots	168,857	144,696
Total contributions of nonfinancial assets	\$ 243,271	\$ 168,891

MUO's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of MUO. If an asset is provided that does not allow MUO to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

MUO was provided leasehold rights for 1,400 square feet of office space, and various parking lots in the City of New Orleans for their CCFM at estimated fair market value as determined by the individual grantor agencies and donors.

All contributed nonfinancial assets received by MUO for the year ended December 31, 2022 were considered without donor restrictions and able to be used by MUO as determined by the board of directors and management, except for \$49,489 of office space that is restricted for future periods. All contributed nonfinancial assets received by MUO for the year ended December 31, 2021 were considered without donor restrictions and able to be used by MUO as determined by the board of directors and management.

(7) EMPLOYEE BENEFIT PLAN

MUO has a defined contribution salary deferral plan covering substantially all employees. Under the plan, MUO determines annually whether it will make a matching contribution. In 2022 MUO did not make matching contributions. In 2021, MUO made matching contributions of 4 percent of all qualifying contributing participants' elective deferrals. The 401(k)-matching contribution expense for the years ended December 31, 2021 was \$9,680.

MARKETUMBRELLA.ORG
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Cordelia Heaney</u>
Time served	1/1/22 through 12/31/22
Salary	\$ 34,254
Benefits - insurance (health and dental)	<u>9,591</u>
Total compensation, benefits, and other payments	<u><u>\$ 43,845</u></u>



**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 and Management of
marketumbrella.org

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 marketumbrella.org (a non-profit corporation), which comprise the statement of financial position as of December 31, 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 our report thereon dated August 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered marketumbrella.org's internal control over financial reporting (internal control) as a basis for designing 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 marketumbrella.org's internal control. Accordingly, we do not express an opinion on the effectiveness of the marketumbrella.org'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 or significant deficiencies may exist that were not identified.



To the Board of Directors and Management of
marketumbrella.org

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether marketumbrella.org’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 as item 2022-001.

marketumbrella.org’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority’s response to the finding identified in our audit and described in the accompanying schedule of findings. MUO’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 marketumbrella.org’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering marketumbrella.org’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

August 24, 2023
New Orleans, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel, LLP".

Certified Public Accountants

MARKETUMBRELLA.ORG
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of marketumbrella.org.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are 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 Prepared in Accordance with *Government Auditing Standards*.
3. An instance of noncompliance was reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2022.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2022-001 Noncompliance with Reporting Requirements

Criteria: MUO is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end in accordance with Louisiana Revised Statutes 24:513 and 24:514.

Condition: MUO failed to comply with these laws, submitting the required reports after the required deadline.

Effect: MUO is not in compliance with Louisiana Revised Statutes 24:513 and 24:514.

Cause: MUO experienced significant turnover in key management and finance positions resulting in delays providing the audit firm information in a timely manner.

Recommendation: MUO should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings and questioned costs related to major federal award programs for the year ended December 31, 2022.

MARKETUMBRELLA.ORG
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

I. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2021.

II. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings and questioned costs related to major federal award programs for the year ended December 31, 2021.

III. MANAGEMENT LETTER

There was no management letter for the year ended December 31, 2021.

MARKETUMBRELLA.ORG
MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS
DECEMBER 31, 2022

August 24, 2023

Louisiana Legislative Auditor

The marketumbrella.org (MUO) respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: January 1, 2022 – December 31, 2022

The finding from the December 31, 2022 schedule of findings is discussed below. The finding is numbered consistently with the number assigned in the schedule.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

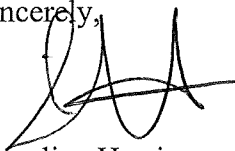
Finding 2022-001 Noncompliance with Reporting Requirements

Recommendation: MUO should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Response: The Executive Director will work with the Board of Directors to draft and implement additional policies and procedures over financial accounting processes in order to ensure compliance with all applicable reporting requirements.

If there are any questions regarding this plan, please contact Angelina Harrison, Interim Executive Director, at (504) 541-1638.

Sincerely,



Angelina Harrison
Interim Executive Director



August 24, 2023

To the Board of Directors of
marketumbrella.org
New Orleans, Louisiana

We have audited the financial statements of marketumbrella.org (MUO) for the years ended December 31, 2022 and 2021, and have issued our report thereon dated August 24, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letters to you dated February 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MUO are described in Note 1 to the financial statements. No new accounting policies with a material impact to the financial statements were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by MUO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimation of tokens payable is based on their fair values in the period received. We evaluated the key factors and assumptions used to develop tokens payable in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of the functional allocation of expenses is based on periodic time and expense studies. We evaluated the key factors and assumptions used to develop the functional allocation of expenses in determining that it is reasonable in relation to the financial statements as a whole.



To the Board of Directors of
marketumbrella.org
August 24, 2023
Page 2

Management's estimate of depreciation expense is based on historical information regarding asset life and usefulness. We evaluated the key factors and assumptions used to calculate this expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimation of promises to give is based on the amounts management expects to collect. We evaluated the allowance and discount recorded for outstanding promises to give in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimation of donated noncash assets is based on their fair values in the period received. We evaluated the key factors and assumptions used to develop donated materials in determining that it is reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 24, 2023.

Management Consultations with Other Independent Accountants



To the Board of Directors of
marketumbrella.org
August 24, 2023
Page 3

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

Other Audit Findings or Issues

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

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the marketumbrella.org and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Certified Public Accountants

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
MARKETUMBRELLA.ORG
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
marketumbrella.org

We have performed the procedures enumerated below on Schedule "1" on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2022, marketumbrella.org's (MUO) management is responsible for those C/C areas identified in the SAUPs.

marketumbrella.org 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 year ended December 31, 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 attached in Schedule "1."

We were engaged by marketumbrella.org 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 marketumbrella.org 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 SAUP's, 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.

August 24, 2023
New Orleans, Louisiana

Certified Public Accountants

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2022

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - 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.
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- 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: No exceptions were found as a result of applying the procedure. MUO is a not-for-profit organization and therefore ethics and sexual harassment are not applicable. Debt is not applicable as MUO does not carry debt.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** 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 the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of MUO's collections during the fiscal period.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

BOARD OR FINANCE COMMITTEE (CONTINUED)

- 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.
- a) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of applying the procedures.

BANK RECONCILIATIONS

- 3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: MUO had one bank reconciliation that was not prepared within 2 months of the related statement closing date. No bank reconciliations included in the procedures included written evidence that a member of management or a board member reviewed each bank reconciliation.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. **Procedures:** 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):
5. **Procedures:** 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.
6. **Procedures:** Obtain from management a copy of the bond or insurance policy for theft covering all independent contractors who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. **Procedures:** 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.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

COLLECTIONS (CONTINUED)

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten 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: No exceptions were noted as a result of applying the procedures except for the following: MUO's written policies and procedures does not state that employees responsible for collecting cash do not share cash drawers/registers.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- 8. **Procedures:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):
- 9. **Procedures:** 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.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

10. **Procedures:** For each location selected under #8 above, obtain MUO'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 that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was
- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
 - b) Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: MUO's written policies and procedures does not adequately address segregation of job duties for employees responsible for processing payments and adding/modifying vendor files or only employees/officials authorized to sign checks approve the release of funds through electronic means.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

12. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. **Procedure:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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:

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)
(CONTINUED)

- a) Observe that 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) was 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.
14. **Procedures:** Using the monthly statements or combined statements selected under #13 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 that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedures.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

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

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)

Results: No exceptions were found as a result of applying the procedures.

CONTRACTS

16. **Procedures** 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. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that 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 that 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 that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedures.

PAYROLL AND PERSONNEL

17. **Procedures:** 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.
18. **Procedures:** Randomly select one pay period during the fiscal period. For the employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

PAYROLL AND PERSONNEL (CONTINUED)

- c) Observe that 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.

19. **Procedures:** 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.

20. **Procedures:** 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 associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedures.

ETHICS

21. **Procedures:** Using the 5 randomly selected employees from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that 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.
- a) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Not applicable. the Organization is a private non-profit and is not required to follow R.S. 42:1170.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

DEBT SERVICE

22. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
23. **Procedures:** 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: Not applicable. The Organization is a private non-profit not required by Article VII, Section 8 of the Louisiana Constitution to receive approval for each debt instrument.

FRAUD NOTICE

24. **Procedure:** 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 Organization attorney of the parish in which the entity is domiciled.
25. **Procedure:** 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: No exceptions were found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/ BUSINESS CONTINUITY

26. **Procedures:** Perform the following procedures:
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - 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.

MARKETUMBRELLA.ORG
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

**INFORMATION TECHNOLOGY DISASTER RECOVERY/ BUSINESS CONTINUITY
(CONTINUED)**

- 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.
- d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

- 27. **Procedures:** Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- 28. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous on the entity's location premises if the entity does not have a website).
- 29. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that 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: Not applicable. The Organization as a private non-profit is not subject to the sexual harassment law, R.S. 42:344.

MARKETUMBRELLA.ORG
CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES
FOR THE YEAR ENDED 2022

August 24, 2023

Louisiana Legislative Auditor

Marketumbrella.org respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: January 1, 2022 – December 31, 2022

The exceptions from the Statewide Agreed-Upon Procedures Report are discussed below:

Bank Reconciliations

Exceptions: The entity had one bank reconciliation that was not prepared within 2 months of the related statement closing date. No bank reconciliations included in the procedures included written evidence that a member of management or a board member reviewed each bank reconciliation.

Collections

Exceptions: The entity's written policies and procedures does not state that employees responsible for collecting cash do not share cash drawers/registers.

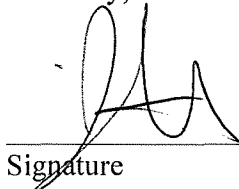
Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases)

Exceptions: The entity's written policies and procedures does not adequately address segregation of job duties for employees responsible for processing payments and adding/modifying vendor files or only employees/officials authorized to sign checks approve the release of funds through electronic means.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please call Angelina Harrison at (504) 861-4485.

Sincerely,



Signature

8/31/23

Title