

INDEPENDENCE BOWL FOUNDATION, INC.

(Audited Financial Statements and Related Notes)

SHREVEPORT, LOUISIANA

FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

**MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA**

INDEPENDENCE BOWL FOUNDATION , INC.

Table of Contents

February 29, 2024 and February 28, 2023

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7-17
SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head	18
OTHER REPORTS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19-20
SCHEDULE OF FINDINGS	21
SCHEDULE OF PRIOR YEAR FINDINGS	22
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS	
Independent Accountant's Report on Applying Statewide Agreed-upon Procedures	23-34



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Independence Bowl Foundation, Inc.
Shreveport, Louisiana

Opinion

I have audited the accompanying financial statements of Independence Bowl Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of February 29, 2024 and February 28, 2023 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Independence Bowl Foundation, Inc. as of February 29, 2024 and February 28, 2023, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Independence Bowl Foundation, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities 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 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 Independence Bowl Foundation, Inc.'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 Independence Bowl Foundation, Inc.'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 Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report dated July 8, 2024 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant
July 8, 2024

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Financial Position

February 29, 2024 and February 28, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,854,995	\$ 1,621,883
Certificates of deposit	47,205	46,026
Accounts receivable	655,492	348,880
Prepaid expenses	83,678	102,881
Total Current Assets	<u>2,641,370</u>	<u>2,119,670</u>
Fixed assets:		
Leasehold improvements/renovations	1,684,059	1,684,059
Less accumulated depreciation	<u>(1,515,654)</u>	<u>(1,347,248)</u>
Net fixed assets	168,405	336,811
Deposits	<u>7,015</u>	<u>7,015</u>
Total Assets	<u><u>\$2,816,790</u></u>	<u><u>\$ 2,463,496</u></u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Due to participating teams	\$ 1,138,100	\$ 600,000
Accounts payable	39,934	168,336
Accrued interest payable	328	672
Payroll withholding payable	5,371	-
Current portion of long-term debt	<u>160,505</u>	<u>581,689</u>
Total Current Liabilities	1,344,238	1,350,697
Long-term liabilities:		
Notes payable, less current portion	<u>-</u>	<u>31,291</u>
Total long-term liabilities	-	31,291
Total liabilities	1,344,238	1,381,988
Unrestricted net assets:		
Unrestricted	<u>1,472,552</u>	<u>1,081,508</u>
Total unrestricted net assets	<u>1,472,552</u>	<u>1,081,508</u>
Total liabilities and unrestricted net assets	<u><u>\$2,816,790</u></u>	<u><u>\$ 2,463,496</u></u>

The accompanying notes are an integral part of these statements.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended February 29, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Support:			
Contributions	\$ -	\$ 936,360	\$ 936,360
Grants - state and local governments	-	600,000	600,000
Total Support	<u>-</u>	<u>1,536,360</u>	<u>1,536,360</u>
Revenues:			
Program Service Fees	1,230,543	-	1,230,543
Hotel Occupancy Tax	-	785,392	785,392
Memberships	-	46,258	46,258
Employee Retention Credit	94,315	-	94,315
Miscellaneous	29,417	-	29,417
Total Revenues	<u>1,354,275</u>	<u>831,650</u>	<u>2,185,925</u>
Total Support and Revenue	<u>1,354,275</u>	<u>2,368,010</u>	<u>3,722,285</u>
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	<u>2,368,010</u>	<u>(2,368,010)</u>	<u>-</u>
Total Support and Revenues	<u>3,722,285</u>	<u>-</u>	<u>3,722,285</u>
Expenses:			
Program Expenses	2,969,206	-	2,969,206
Management and General	362,035	-	362,035
Total Expenses	<u>3,331,241</u>	<u>-</u>	<u>3,331,241</u>
Change in Net Assets	391,044	-	391,044
Net assets, beginning of year	<u>1,081,508</u>	<u>-</u>	<u>1,081,508</u>
Net assets, end of year	<u>\$ 1,472,552</u>	<u>\$ -</u>	<u>\$ 1,472,552</u>

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended February 28, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Support:			
Contributions	\$ -	\$ 918,000	\$ 918,000
Grants - state and local governments	-	400,000	400,000
Total support	<u>-</u>	<u>1,318,000</u>	<u>1,318,000</u>
Revenues:			
Program Service Fees	1,078,402	-	1,078,402
Hotel Occupancy Tax	-	815,291	815,291
Memberships	-	34,000	34,000
Employee Retention Credit	-	-	-
Miscellaneous	3,779	-	3,779
Total revenue	<u>1,082,181</u>	<u>849,291</u>	<u>1,931,472</u>
Total support and revenue	<u>1,082,181</u>	<u>2,167,291</u>	<u>3,249,472</u>
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	<u>2,167,291</u>	<u>(2,167,291)</u>	<u>-</u>
Total Support and Revenues	3,249,472	-	3,249,472
Expenses:			
Program Expenses	2,226,998	-	2,226,998
Management and General	368,613	-	368,613
Total Expenses	<u>2,595,611</u>	<u>-</u>	<u>2,595,611</u>
Change in Net Assets	653,861	-	653,861
Net assets, beginning of year	<u>427,647</u>	<u>-</u>	<u>427,647</u>
Net assets, end of year	<u>\$ 1,081,508</u>	<u>\$ -</u>	<u>\$ 1,081,508</u>

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Functional Expenses

For the Year Ended February 29, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Independence Bowl:			
Distributions to Teams	\$ 1,138,000	\$ -	\$ 1,138,000
Personnel	455,208	113,802	569,010
Occupancy	-	111,182	111,182
Professional Services	140,509	13,000	153,509
Printing	22,928	-	22,928
Travel	29,556	-	29,556
Bowl Related Expenses	539,918	-	539,918
Game Day Expense	198,899	-	198,899
Depreciation	168,406	-	168,406
Interest	-	18,889	18,889
Other	275,782	105,162	380,944
	<u>\$ 2,969,206</u>	<u>\$ 362,035</u>	<u>\$ 3,331,241</u>

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Functional Expenses

For the Year Ended February 28, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Independence Bowl:			
Distributions to Teams	\$ 600,000	\$ -	\$ 600,000
Personnel	366,610	91,652	458,262
Occupancy	-	112,699	112,699
Professional Services	137,700	13,000	150,700
Printing	24,605	-	24,605
Travel	16,621	-	16,621
Bowl Related Expenses	588,640	-	588,640
Game Day Expense	173,843	-	173,843
Depreciation	168,406	-	168,406
Interest	-	39,954	39,954
Other	150,573	111,308	261,881
	<u>\$ 2,226,998</u>	<u>\$ 368,613</u>	<u>\$ 2,595,611</u>

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Cash Flows

For the Year Ended February 29, 2024 and February 28, 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 391,044	\$ 653,860
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	168,406	168,406
<i>(Increase)decrease in assets:</i>		
Accounts receivable	(306,612)	(15,941)
Prepaid expenses	19,203	19,389
<i>Increase (decrease) in liabilities:</i>		
Due to participating teams	538,100	-
Accounts payable	(128,402)	45,097
Accrued expenses	5,027	(3,164)
Unearned revenue	-	-
Total adjustments	295,722	213,787
Net cash provided (used) by operating activities	686,766	867,647
Cash flows from investing activities:		
Purchases of fixed assets	-	-
Reinvestment of interest on certificates of deposit	(1,179)	(15)
Net cash provided (used) by investing activities	(1,179)	(15)
Cash flows from financing activities:		
Proceeds from debt	-	-
Principal payments on line of credit	(245,768)	-
Payment of principal on long-term debt	(206,707)	(448,669)
Net cash provided (used) by financing activities	(452,475)	(448,669)
Net increase (decrease) in cash and cash equivalents	233,112	418,963
Cash and cash equivalents - beginning of year:	1,621,883	1,202,920
Cash and cash equivalents - end of year	\$1,854,995	\$1,621,883
Supplementary cash flow information:		
Cash paid during the year for interest	\$ 18,933	\$ 37,693

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Notes to Financial Statements

February 29, 2024 and February 28, 2023

1. Summary of Significant Accounting Policies:

A. General:

The Independence Bowl Foundation, Inc. (the "Foundation") is a tax-exempt and non-profit organization established for the purpose of advertising and promoting amateur sports and sports related events in the Shreveport-Bossier area. The Foundation consists of a full-time staff and committee members that carry out all of the activities related to the Foundation's function. The Foundation is also the sponsoring organization for the Independence Bowl post-season football game, which is promoted and served through the Foundation's staff and volunteer membership. The Independence Bowl Foundation, Inc., is organized as a nonprofit organization exempt from federal income taxation under Code Section 501 (c) (3) of the Internal Revenue Code.

B. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

C. Basis of Presentation:

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

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

Net assets with donor restrictions: These assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, these net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

D. Measure of Operations:

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

E. Cash and Cash Equivalents:

For the purpose of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At February 29, 2024 the carrying amount of the Foundation's deposits were \$1,902,200 while the bank balances were \$2,035,477. Deposits of \$1,725,398 were secured by FDIC insurance; deposits of \$310,079 were unsecured and subject to risk. At February 28, 2023, deposits of \$553,781 were collateralized by FDIC insurance; deposits of \$1,152,413 were unsecured and subject to risk.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to ten years.

G. Contributions:

All contributions received are considered available for use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as donor restricted support that increases net assets with donor restrictions. When a donor restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

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

I. Functional expenses:

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Distributions to teams	Full Time Equivalent
Personnel	Time and Effort
Occupancy	Time and Effort
Professional Services	Time and Effort
Printing	Time and Effort
Travel	Time and Effort
Bowl Related Expenses	Full Time Equivalent
Game Day Expense	Full Time Equivalent
Depreciation	Full Time Equivalent
Interest	Full Time Equivalent
Other	Full Time Equivalent

J. Deferred Revenue:

The Foundation has no unearned revenue at February 29, 2024 or at February 28, 2023.

K. Advertising Costs:

Advertising costs are charged to expense as incurred and are included in program expenses on the statement of activities. Advertising expenses amount to \$196,528 for the year ended February 29, 2024 and \$187,387 for the year ended February 28, 2023.

L. Donated Materials and Services:

Donated Materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services, inasmuch as no objective basis is available to measure the value of such services; and the donated services do not create a nonfinancial asset.

2. Availability and Liquidity:

The following represents the Foundation's financial assets at February 29, 2024 and February 28, 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and equivalents	<u>\$1,902,200</u>	<u>\$ 1,667,909</u>
Total financial assets	<u>1,902,200</u>	<u>1,667,909</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	-
Less net assets with purpose restriction to be met in less than a year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$1,902,200</u></u>	<u><u>\$ 1,667,909</u></u>

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in interest-bearing accounts.

3. Certificates of Deposit

Certificates of deposits at February 29, 2024 and February 28, 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Regions Bank	\$ 23,430	\$ 22,845
JP Morgan Chase Bank	11,493	11,124
Origin Bank	12,282	12,057
Total Certificates of Deposit	<u>\$ 47,205</u>	<u>\$ 46,026</u>

4. Accounts Receivable

Accounts receivable at February 29, 2024 and February 28, 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Corporate sponsors/advertisers	\$ 590,599	\$ 279,284
Accrued hotel occupancy tax	64,893	69,596
Total receivables	655,492	348,880
Less: allowance for doubtful accounts	-	-
Accounts receivable, net	<u>\$ 655,492</u>	<u>\$ 348,880</u>

5. Cooperative Endeavor Agreement

As of February 28, 2023, the Foundation executed a cooperative endeavor agreement with the City of Shreveport, Louisiana outlining the scope of services and responsibilities of each party. The main focus of this agreement is the production of the Independence Bowl, along with any activities and events associated with the game. The term of this agreement is from inception and terminated on December 31, 2026. The agreement provided the Foundation be paid the sum of \$140,000 per year for the activities described above, and receives use of public facilities of the City of Shreveport, (including Independence Stadium) at no charge. As the fair market value of the contribution from the City of Shreveport cannot be determined, no income or related expense associated with this cooperative endeavor agreement is recorded in the records of the Foundation. In the event the Foundation fails to produce a game in any year of the contract, the funds will be returned to the City of Shreveport. The Foundation is allowed, under the agreement, to improve the stadium's facilities, and subsequent to the repayment of all debt associated with the renovations, the improvements become the property of the City of Shreveport.

6. Fixed Assets:

Fixed assets at February 29, 2024 and February 28, 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Scoreboard	\$ 1,684,059	1,684,059
Less Accumulated Depreciation	<u>(1,515,654)</u>	<u>(1,347,248)</u>
Net Fixed Assets	<u>\$ 168,405</u>	<u>\$ 336,811</u>

7. Net Assets:

Net assets with donor restrictions were as follows for the year ended February 29, 2024 and February 28, 2023.

	<u>2024</u>	<u>2023</u>
Specific Purpose	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>

Net assets without donor restriction for the year ended February 29, 2024 and February 28, 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 1,472,522	\$ 1,081,508
Total	<u>\$ 1,472,522</u>	<u>\$ 427,647</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2024</u>	<u>2023</u>
Satisfaction of Purpose Restrictions		
Independence Bowl and Related Events	\$ 2,368,010	\$ 2,167,291
Total	<u>\$ 2,368,010</u>	<u>\$ 2,167,291</u>

8. Title Sponsorship

On March 5, 2020, the Foundation entered into an "Entitlement Sponsorship Agreement" with Radiance Technologies whereby Radiance Technologies' Enterprises obtained the title sponsorship rights to the Independence Bowl, and the Foundation received certain financial commitments as more fully described in the agreement. The agreement terms include the 2021-2025 presentations of the Independence Bowl, and are deemed to commence on the date of the agreement.

9. Participating Team Distribution Agreements

For the year ended February 29, 2024, the Foundation's agreement with the Pac-12 Conference required the Foundation to pay the Pac-12 Conference participants \$738,100, and the agreement with the Big 12 Conference required the Foundation to pay the participants from the Big 12 Conference \$400,000.

The following is a recap of the distributions and payables to the participating teams:

2023 Independence Bowl:

	<u>Pac-12 Conference</u>	<u>Big 12 Conference</u>	<u>Totals</u>
Calculated gross team payout	<u>\$ 738,100</u>	<u>\$ 400,000</u>	<u>\$ 1,138,100</u>
Balance due participating teams	<u>\$ 738,100</u>	<u>\$ 400,000</u>	<u>\$ 1,138,100</u>

The following is a recap of the distributions and payables to the participating teams:

2022 Independence Bowl:

	<u>American Athletic Conference</u>	<u>Sunbelt Conference</u>	<u>Totals</u>
Calculated gross team payout	<u>\$ 400,000</u>	<u>\$ 200,000</u>	<u>\$ 600,000</u>
Balance due participating teams	<u>\$ 400,000</u>	<u>\$ 200,000</u>	<u>\$ 600,000</u>

For the year ended February 29, 2024, the Foundation's agreement with the Big 12 Conference and the Pac 12 Conference required the Foundation to pay \$400,000 to the Big 12 Conference participants, and \$1,075,000 to the Pac 12 participants. As part of the agreement, the University of California at Berkeley received tickets valued at a total of \$336,900 and Texas Tech University received tickets valued at a total of \$300,000. The University of California at Berkeley paid the Foundation for tickets received, and then retained all revenues generated from the ticket sales. Texas Tech University retained all revenues from their ticket sales.

10. Related Party Transactions

Members of the Foundation are involved through ownership/association with companies supplying goods and services to the Foundation. In such instances where these related parties conduct business with the Foundation, due care is taken to assure that the goods and/or services are bid for or purchased from these related parties at normal competitive prices/rates. The amounts of such transactions are considered immaterial to the financial statements taken as a whole.

11. Long-Term Debt

Long-term debt consists of the following at February 29, 2024 and February 28, 2023:

	<u>2024</u>	<u>2023</u>
Term note payable to b1Bank, dated April 30, 2020, interest only beginning May 8, 2020, due in 35 payments of \$20,972, maturing on March 30, 2024, collateralized by hotel occupancy tax.	\$ -	\$ 245,769
Term note payable to b1Bank, dated November 29, 2021 due in 36 payments of \$18,143, bearing interest at 4%, maturing on November 19, 2024, collateralized by accounts receivable, and all other corporate assets.	<u>160,505</u>	<u>367,211</u>
Subtotal	160,505	612,980
Less: Current maturities	<u>(160,505)</u>	<u>(581,689)</u>
Total long-term debt	<u><u>\$ -</u></u>	<u><u>\$ 31,291</u></u>

Future minimum principal payments due on the renewed long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 160,505	\$ 2,858	\$163,363
Total	<u><u>\$ 160,505</u></u>	<u><u>\$ 2,858</u></u>	<u><u>\$163,363</u></u>

12. Retirement Plan

The Foundation adopted a "*Savings Incentive Match Plan for Employees of Small Employers*" (SIMPLE IRA) retirement plan on April 15, 2001 (effective April 15, 2001) covering all full time employees. Employees may elect to contribute to the plan through salary deferrals up to the maximum of \$10,000 per year or the amount as allowed by law. Hardship withdrawals and loans to participants are not allowed under the current Plan provisions. The Foundation elects to contribute to the plan a matching contribution equal to the employees' salary reduction contributions up to a limit of 3% of the employees' total compensation for the year. The Foundation made employer contributions of \$11,272 and \$9,204 in 2024 and 2023, respectively.

13. Disclosures about Fair Value of Assets and Liabilities

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Fair value measurements are used to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with **FASB ASC 820**, "*Fair Value Measurement and Disclosures*", the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgement. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

13. Disclosures about Fair Value of Assets and Liabilities (continued)

Fair Value Hierarchy. In accordance with this guidance, financial assets and financial liabilities, generally measured at fair value, are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1 - Valuation is based on quoted prices in active markets for identical assets or liabilities the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgement or estimation.

The following is a description of the valuation methodologies used for assets and liabilities at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as general classification of such assets and liabilities pursuant to the valuation hierarchy. Fair values estimated by using pricing models, which are based on transactions of similar terms. Derivative instruments are classified within Level 2 of the valuation hierarchy.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the **FASB ASC 820** fair value hierarchy in which the fair value measurements fall at February 29, 2024 and February 28, 2023:

	2024 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Certificates of deposit	<u>\$47,205</u>	<u>\$ -</u>	<u>\$ 47,205</u>	<u>\$ -</u>

13. Disclosures about Fair Value of Assets and Liabilities (continued)

	2023 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Certificates of deposit	\$ 46,026	\$ -	\$ 46,026	\$ -

The following methods and assumptions were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value.

Cash, Accounts Receivable, Prepaid Expenses, Accounts Payable, Accrued Expenses

The carrying amount approximates fair value.

Due to Participating Teams

The carrying amount approximates fair value due primarily to their short-term nature.

Estimated Fair Values of the Foundation's Financial Instruments

The estimated fair values of the Foundation's Financial Instruments as of February 29, 2024 and February 28, 2023 were as follows:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	\$ 1,854,995	\$ 1,854,995	\$1,621,883	\$1,621,883
Certificates of Deposit	47,205	47,205	46,026	46,026
Accounts receivable	655,492	655,492	348,880	348,880
Prepaid expenses	83,678	83,678	102,881	102,881
Financial liabilities:				
Accounts payable	39,934	39,934	168,336	168,336
Accrued expenses	328	328	672	672
Due to participating teams	1,138,100	1,138,100	600,000	600,000
Unearned revenue	-	-	-	-
Line of credit payable	-	-	-	-
Notes payable	160,505	160,505	612,980	612,980

14. Operating Lease Commitments

The Foundation has entered into the fifth (5th) amendment (dated August 8, 2019) to its original lease agreement (dated May 22, 2003) for the lease of its office space located in Shreveport, Louisiana. The lease term is extended for five (5) years beginning September 1, 2019 and ending August 31, 2024. The lease agreement calls for a base rent varying from \$4,250 to \$4,424 per month. Included in the

14. Operating Lease Commitments (continued)

lease rate are seven (7) parking spaces in the building's parking garage. The Foundation maintains a one-time right to terminate the lease if it loses its title sponsor, television sponsor, or state funding; the landlord may terminate the lease with one hundred twenty (120) day notice to the Foundation. Total lease/rental expense was \$52,699 and \$51,641 for the years ended February 29, 2024 and February 28, 2023, respectively.

15. Major Contributor

One contributor accounted for one hundred (100)% percent of total contributions.

16. Subsequent Events

Management has evaluated subsequent events through July 8, 2024, the date the financial statements were available to be delivered and determined no additional disclosures were warranted.

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Compensation, Reimbursements, Benefits, and Other Payments

For the Years Ended February 29, 2024 and February 28, 2023

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

Independence Bowl Foundation, Inc. is not required to report the total compensation, reimbursements, and benefits paid to Missy Setters, the Executive Director, as none of those payments were made from public funds.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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*

Board of Directors
Independence Bowl Foundation, Inc.
Shreveport, 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 Independence Bowl Foundation, Inc. which comprise the statement of financial position as of February 29, 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and related notes to the financial statements, and have issued my report thereon dated July 8, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Independence Bowl Foundation, Inc.'s internal control over financial reporting to determine 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.

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 Foundation's financial statements will not be prevented, or detected 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 over financial reporting 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 may not have been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independence Bowl Foundation, Inc.'s financial statements are free of 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 the determination of financial statement amounts. However, providing an opinion on compliance with those

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

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*.

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant

July 8, 2024

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Findings

For the Year Ended February 29, 2024

Summary of Audit Results:

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No material weaknesses relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

There were no findings for the year ended February 29, 2024.

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Prior Year Findings

For the Year Ended February 29, 2024

There were no findings for the year ended February 28, 2023.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board of Directors
Independence Bowl Foundation, Inc.
Shreveport, Louisiana

I 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 March 1, 2023 through February 29, 2024. Management of Independence Bowl Foundation, Inc. (the Foundation) is responsible for those C/C areas identified in the SAUPS.

Management of Independence Bowl Foundation, Inc. has agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPS for the fiscal period March 1, 2023 through February 29, 2024. 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:

1) Written Policies and Procedures

- A. 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:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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 Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **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).
- v. **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 rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. **Ethics**, including (1) the prohibition 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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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 a 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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results - The entity has written policies and procedures that adequately address each of the categories and subcategories above.

2) Board or Finance Committee

- A. I obtained and inspected 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:
- i. I observed 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.
 - ii. For those entities reporting on the governmental accounting model, I observed that 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, I obtained the prior year audit report and observed 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.
 - iv. I observed 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.

Procedure Results - No exceptions were noted.

3) Bank Reconciliations

- A. I obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. I selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected accounts, and observed that:
- i. 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);

- ✓ ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged: and
- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results - No exceptions were noted.

4) Collections (excluding electronic funds transfers)

- A. I obtained 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. I selected 1 deposit site (there is only 1).
- B. For each deposit site selected, I obtained a listing of collection locations and management's representation that the listing is complete. I selected one collection location for each deposit site (i.e., 1 collection locations for 1 deposit site), obtained and inspected 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 observed that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. 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;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. I randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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.* I obtained supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. 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 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Results - No exceptions were noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. I obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. I selected 1 location (there is only 1).
- B. For each location selected under procedure #5A above, I obtained a listing of those employees involved with non-payroll purchasing and payment functions. I obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. Either the employees/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; and

- v. 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.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5 above, I obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. I randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and
 - i. Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, I randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (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.

Procedure Results - No exceptions were noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. I obtained 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. I obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement). I obtained supporting documentation, and:
 - i. Observed 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. [Note: Those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported]; and

ii Observed that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards,. I randomly selected 10 transactions (or all transactions if less than 10) from each statement and obtained supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, I observed 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results - No exceptions were noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. I obtained 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 and 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:

- i. If reimbursed using a per diem, observe that 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);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. 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 Policies and Procedures procedure #1A(vii) and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results - No exceptions were noted.

8) Contracts

- A. I obtained 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* I obtained management's representation that the listing is complete. I selected 1 contract (there is only 1) from the listing, excluding the practitioner's contract, and:
- i. Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - iii. If the contract was amended (e.g., change order), observed 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).
 - iv. I randomly selected 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results - No exceptions were noted.

9) Payroll and Personnel

- A. I obtained a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. I randomly selected 5 employees or officials, obtained related salaries and personnel files, and agreed paid salaries to authorized salaries/ pay rates in the personnel files.
- B. I randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, I obtained attendance records and leave documentation for the pay period, and
- i. Observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records; and

- iv. Observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. I obtained 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 and 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 employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. I obtained 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 the required deadlines.

Procedure Results - No exceptions were noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the entity has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results - No exceptions were noted.

11) Debt Service

- A. I obtained 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

- B. I obtained 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).

Procedure Results - No exceptions were noted.

12) Fraud Notice

- A. I obtained a listing of misappropriation 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 to the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. I observed 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.

Procedure Results - No exceptions were noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**
- i. I obtained and inspected 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.
 - ii. I obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. I obtained 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.
- B. I randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. I observed evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, I obtained cybersecurity training documentation from management, and observed the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S.42:1267. The requirements are as follows:

- * Hired before June 9, 2020 - completed the training; and
- * Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

I performed the procedure and discussed the results with management.

Procedure Results - No employees completed cybersecurity training.

Management's Response - We will complete cybersecurity training in the future.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, I obtained sexual harassment training documentation from management, and observed 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.
- B. I observed that 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).
- C. I obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the entity who have completed the training requirements.;
 - ii. Number of sexual harassment complaints received by the entity;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Procedure Results - No exceptions were noted.

I was engaged by the Foundation to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Foundation and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

A handwritten signature in cursive script that reads "Marsha O. Millican".

Certified Public Accountant
July 8, 2024