

**THE SPLIT SECOND FOUNDATION, INC.
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

THE SPLIT SECOND FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Split Second Foundation, Inc.
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of The Split Second Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Split Second Foundation, Inc. as of December 31, 2024, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Split Second Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Split Second 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore it 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Split Second 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Split Second Foundation, Inc.'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to the Executive Director 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 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 June 20, 2025, on our consideration of The Split Second Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Split Second Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Split Second Foundation, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bernard & Franks".

Metairie, Louisiana
June 20, 2025

THE SPLIT SECOND FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

	Amount
CURRENT ASSETS	
Cash and cash equivalents	\$ 210,751
Accounts receivable	10,000
Promises to give	92,500
Investments	5,871
Total current assets	<u>\$ 319,122</u>
PROPERTY, PLANT AND EQUIPMENT	\$ 942,752
Less accumulated depreciation	(59,252)
Total property, plant and equipment	<u>\$ 883,500</u>
OTHER ASSETS	
Operating lease right-of use-asset	\$ 21,607
Deposit	3,391
Total other assets	<u>\$ 24,998</u>
TOTAL ASSETS	<u><u>\$ 1,227,620</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accrued Payroll	\$ 24,923
Accounts payable	27,266
Credit card payable	30,543
Due to related party	12,790
Operating lease liability	21,607
Total current liabilities	<u>\$ 117,129</u>
LONG-TERM DEBT	
Small Business Administration loan	\$ 159,200
Total long-term debt	<u>\$ 159,200</u>
Total liabilities	<u>\$ 276,329</u>
NET ASSETS	
Without donor restriction	\$ (141,209)
With donor restrictions	1,092,500
Total net assets	<u>\$ 951,291</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,227,620</u></u>

See notes to the financial statements.

THE SPLIT SECOND FOUNDATION, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	\$ 374,293	\$ 1,202,500	\$ 1,576,793
Fund-raising	283,549	-	283,549
Fitness center	123,242	-	123,242
Merchandise	974	-	974
Investment income	829	-	829
Release of restrictions	201,305	(201,305)	-
Total revenues, gains and other support	<u>\$ 984,192</u>	<u>\$ 1,001,195</u>	<u>\$ 1,985,387</u>
EXPENSES			
Program service	\$ 670,472	\$ -	\$ 670,472
Supporting services:			
Management and general	213,609	-	213,609
Fund-raising	195,761	-	195,761
Total expenses	<u>\$ 1,079,842</u>	<u>\$ -</u>	<u>\$ 1,079,842</u>
Change in net assets	\$ (95,650)	\$ 1,001,195	\$ 905,545
NET ASSETS AT BEGINNING OF YEAR	<u>(45,559)</u>	<u>91,305</u>	<u>45,746</u>
NET ASSETS AT END OF YEAR	<u><u>\$ (141,209)</u></u>	<u><u>\$ 1,092,500</u></u>	<u><u>\$ 951,291</u></u>

See notes to the financial statements.

THE SPLIT SECOND FOUNDATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Service	Supporting Services		
	Fitness Program	General and Administrative	Fund-raising	Total
Compensation and related expenses	\$ 515,441	\$ 95,610	\$ 69,388	\$ 680,439
Advertising and marketing	12,244	-	7,019	19,263
Computer related expenses	-	1,101	-	1,101
Depreciation expense	15,732	6,649	-	22,381
Dues and subscriptions	-	5,803	-	5,803
Event supplies and entertainment	-	-	42,543	42,543
Equipment repairs and rental	4,210	-	-	4,210
Fees	6,763	3,980	2,035	12,778
Insurance	7,702	7,701	430	15,833
Interest	-	53,683	-	53,683
Merchandise	-	-	1,467	1,467
Miscellaneous	47	670	1,137	1,854
Occupancy				
Cleaning	1,500	-	-	1,500
Rent	29,028	-	20,372	49,400
Utilities	8,721	-	-	8,721
Postage and mailings	-	387	12	399
Printing and reproduction	-	14	1,318	1,332
Professionals/contract services	62,746	26,698	30,630	120,074
Storage	1,621	-	-	1,621
Supplies	3,740	502	19,410	23,652
Telephone and communications	228	7,230	-	7,458
Training	464	-	-	464
Travel	-	355	-	355
Van related expenses	285	1,417	-	1,702
Website	-	1,809	-	1,809
Total expenses	<u>\$ 670,472</u>	<u>\$ 213,609</u>	<u>\$ 195,761</u>	<u>\$ 1,079,842</u>

See notes to the financial statements.

THE SPLIT SECOND FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Amount
Change in net assets	\$ 905,545
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	22,381
Unrealized (gain) loss on investments	(829)
(Increase) decrease in operating assets:	
Promises to give	(70,000)
Deposits	9,175
Due to board member	1,408
Increase (decrease) in operating liabilities:	
Accrued payroll	24,923
Accounts payable	16,766
Credit card payable	(2,474)
Net cash provided by (used in) operating activities	<u>\$ 906,895</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payments for property and equipment	\$ (781,369)
Net cash provided by (used in) financing activities	<u>\$ (781,369)</u>
 Net increase (decrease) in cash and cash equivalents	\$ 125,526
 Beginning cash and cash equivalents	85,225
 Ending cash and cash equivalents	<u><u>\$ 210,751</u></u>
 Supplemental disclosures	
Cash paid for interest	<u><u>\$ 53,683</u></u>

See notes to the financial statements.

THE SPLIT SECOND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Split Second Foundation, Inc. (the “Organization”) is a 501(c)(3) non-profit organization incorporated in 2018. The Organization’s mission is to break down physical, societal and research barriers for people living with physical disabilities. There are 20.6 million Americans that live with some form of ambulatory disability, requiring a mobility device. The Organization has dedicated its mission to helping people who may face an isolated world with few social interactions, health complications, a higher risk of suicide, a shorter life expectancy and few places to turn to due to their physical disability.

The Organization offers two comprehensive programs, Split Second Fitness and Split Second Cares, which work harmoniously to provide wrap-around services and enhance the overall quality of life for families impacted by disabilities. Split Second Fitness operates a fitness facility that is used to provide a safe environment for research-based, individualized exercise programs that are proven to be highly effective for improving health, function and quality of life. Split Second Fitness members are assessed by experienced staff to evaluate the member’s strengths, weaknesses, and deficits. Following the assessment, the member will receive an individualized regimen using exercises and treatments developed through activity-based therapy programs. Some of the benefits members report are improved functionality, muscle development and reduction in pain and depression. Split Second Cares provides mental health and case management support services to individuals who have gone through tragic events. Services from this program include essential resources, trauma-informed mental health support, vocational training, and disability advocacy.

Basis of Accounting

The financial statements of the Organization are prepared 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. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

Financial Statement Presentation

The Organization has classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes therein are classified and reported as follows:

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (continued)

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. The revenues received in conducting the mission of the Organization is included in this category.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. Contributions restricted for the construction of the new fitness facility will be released from restrictions when the building is placed into service.

Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable consists primarily of unsecured amounts due from various donors. Accounts receivables are stated at the amount management expects to collect based on their review of outstanding balances.

Collection losses have historically not been significant. As of December 31, 2024, management concluded that based on its review of accounts receivable balances outstanding, a valuation allowance was not required.

The Organization estimates credit losses associated with accounts receivable using as expected credit loss model, which utilizes an aging schedule methodology based on historical information and adjusted for asset-specific considerations and current economic conditions. The Organization's approach considers a number of factors, including overall historical credit losses and payment experience, as well as current collection trends such as write-off frequency.

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Unconditional promises to give are recognized as revenue in the period in which the promise is made and are recorded at their estimated net realizable value. Promises expected to be collected in more than one year are discounted to present value using a risk-adjusted discount rate. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met.

As of December 31, 2024, the Organization had unconditional promises to give totaling \$92,500, all of which are expected to be collected within one year. No allowance for uncollectible promises has been recorded, as management believes all amounts are fully collectible.

Estimates

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

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the Statement of Financial Position, and changes in fair value are reported as investment return in the Statement of Activities. The Organization holds investments in stocks and carries such investments at current quoted prices in active markets (Level 1 measurements). Investment income is reported as increases in net assets without donor restrictions in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of five to seven years of the assets.

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Nonfinancial Assets and Services

Contributed nonfinancial assets and services are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. The Organization receives a substantial amount of contributed services from unpaid volunteers who assist in carrying out the Organization's mission. No amounts have been recorded in the financial statements for contributed services from unpaid volunteers because they did not meet the criteria for recognition and there is no objective basis available to measure the value of such services.

Revenue Recognition

The Organization recognizes revenue in accordance with FASB ASC Topic 958, Not-for-Profit Entities, and FASB ASC Topic 606, Revenue from Contracts with Customers. Revenue is recognized when it is realized or realizable and earned.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Grants that contain donor-imposed restrictions (such as time or purpose restrictions) are reported as net assets with donor restrictions. When a restriction is satisfied, the amount is reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

Membership revenue is recognized over time as the benefits of membership are made available to members. Memberships generally include access to services, programming, or facilities over a defined period.

Revenue from treatment sessions is recognized at a point in time when the service is rendered. The performance obligation is satisfied upon completion of each session, and revenue is recognized in the amount charged for the session.

Revenue from special events and fundraising activities is recognized when the event occurs or when the Organization has fulfilled its obligations associated with the transaction.

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

Most of the expenses can be directly allocated to the program or supporting functions. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and operating costs which are allocated based on facility square footage. Salaries and wages, employee benefits, and payroll taxes are allocated on the basis of estimates of time and effort.

Advertising and Marketing

The Organization expenses advertising costs as they are incurred. Advertising and marketing expenses for the year ended December 31, 2024 was \$19,263.

Right-of-Use Assets and Lease Liabilities

Right-of-use (ROU) assets represent the Organization's right to use the underlying assets for the lease term and lease liabilities represent the net present value of the Organization's obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the Organization's incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Organization will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. Finance lease expense is recognized as amortization of the right to use asset and interest expense. As permitted by Accounting Standards Codification (ASC) 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying Statement of Financial Position.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2022, 2023, and 2024 are subject to examination by the Internal Revenue Service.

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations

The Organization's primary source of revenue is derived from contributions and fund-raising. For the year ended December 31, 2024, \$1,576,793 or 79% was from contributions and \$283,549 or 14% was from fund-raising. Fees related to the fitness center consisted of \$123,242 or 6% and the remaining 1% of revenue was from merchandise sales and investment income.

NOTE 2. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balance at several banks in New Orleans, Louisiana. The balance is insured by the Federal Deposit Insurance Corporation for amounts up to \$250,000. As of December 31, 2024, there was no uninsured portion of the cash balance.

NOTE 3. PROPERTY

Property and equipment consisted of the following:

	2024	Useful Life
Land	\$ 139,232	
Construction in progress	643,321	
Furniture and equipment	130,199	5 to 7 years
Vehicle	30,000	5 years
	<u>\$ 942,752</u>	
Less: Accumulated depreciation	<u>(59,252)</u>	
Total	<u><u>\$ 883,500</u></u>	

Depreciation expense for the year ended December 31, 2024 was \$22,381.

NOTE 4. INVESTMENTS

The Organization received a donation of stock during the year end December 31, 2024. It was recognized at its fair value at the donation date. Investments consist of the following at year end December 31, 2024:

	Cost	Market	Excess Market Over Cost
Common stocks	<u>\$ 5,042</u>	<u>\$ 5,871</u>	<u>\$ 829</u>

The Organization recognized \$829 in unrealized appreciation for the year ended December 31, 2024.

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Common Stocks: Valued at the closing price as reported on the active market on which the individual securities are traded.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2024:

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5. FAIR VALUE MEASUREMENTS (Continued)

Description	Based on			Total
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Common stocks	\$ 5,871	\$ -	\$ -	\$ 5,871

As of December 31, 2024, there were no assets measured at fair value on a non-recurring basis.

NOTE 6. LEASING ARRANGEMENTS

The Organization has an operating lease for its fitness center. The lease renewed on October 7, 2023 with an expiration of October 6, 2025. The base rent is \$1,736 with an additional \$683 pro rata share of maintenance and utilities for a total of \$2,419 monthly rent. The Organization's operating lease provides for increases in future minimum annual lease payments. The Organization has elected the option to use its implicit borrowing rate of 8.50%.

Reported under FASB ASC 842 for the year ended December 31, 2024 is as follows:

Lease cost

Operating lease costs \$ 29,028

Weighted-Average Information

Weighted-average remaining lease in year 0.83

Weighted-average discount rate

Operating leases 8.5%

Future minimum lease payments

Year Ending

December 31,

2025

\$ 22,238

Total minimum lease payments

\$ 22,238

Less imputed interest

(631)

Present value of lease liabilities

\$ 21,607

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7. NOTES PAYABLE

On August 19, 2020, the U.S. Small Business Administration (SBA) authorized a loan to the Organization in the amount of \$65,300 with a 2.75% interest per annum. The SBA loaned an additional \$93,500 to the Organization during the year ended December 31, 2022 to be paid with the terms of the original loan. The Organization received a hardship accommodation period and will begin regular monthly payments on October 22, 2024. The monthly principal and interest payments are \$707. The loan is secured by the Organization's assets and solely used for working capital to alleviate the economic injury caused by the disaster occurring in the month of January 31, 2020 and continuing thereafter.

The principal and interest will be payable within thirty years from the date of the promissory note. Maturities of long-term debt for the next five years are as follows:

Year Ending December 31, 2024	Amount
2025	\$ 4,168
2026	4,284
2027	4,403
2028	4,526
2029	4,652
Thereafter	137,167
	<u>\$ 159,200</u>

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2024 are restricted for the following:

	Amount
Beginning net assets with donor restrictions	\$ 91,305
Subject to expenditure for specified purpose	1,000,000
Subject to the passage of time	202,500
Released from restrictions	(201,305)
Ending net assets with donor restrictions	<u>\$ 1,092,500</u>

NOTE 9. COMPENSATION

The Board of Directors serve the Organization without compensation.

THE SPLIT SECOND FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of December 31, 2024:

	<u>Amount</u>
Cash and cash equivalents	\$ 210,751
Accounts receivable	10,000
Promises to give	92,500
Investments	<u>5,871</u>
	<u>\$ 319,122</u>

The Organization is substantially supported by contributions and grants. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 11. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, Mark Raymond, Jr., the Chief Executive Officer and President of the Organization, voluntarily deferred compensation totaling \$44,846 to support the Organization's cash flow needs. During the year, the Organization repaid \$32,056 of this amount. As of December 31, 2024, a balance of \$12,790 remains payable to Mr. Raymond.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 20, 2025, which is the date the financial statements were available to be issued. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

New Building and Revenue

The Organization received a federal grant from the Department of Commerce. The period of performance is from June 1, 2024 through June 1, 2029. The grant is in the amount of \$1,800,000 of federal funds and has a shared cost of \$450,000, for a total of \$2,250,000. The proposed investment would be for the renovation of the newly purchased commercial building which is to be used as the headquarters for the Organization. The proposed project components would include a new HVAC system, a new elevator, construction of a second-floor mezzanine for office space, installation of a generator, roof repairs, electrical and plumbing upgrades, installation of building equipment as well as site work including outdoor water retention, solar panels, and associated appurtenances. The Organization is in the process of getting bids for the project.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



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

To the Board of Directors of
The Split Second Foundation, Inc.
New Orleans, Louisiana

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 The Split Second Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2025

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Split Second Foundation, Inc.'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 The Split Second Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Split Second Foundation, Inc.'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Split Second Foundation, Inc.'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 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bernard & Franks".

Metairie, Louisiana
June 20, 2025

THE SPLIT SECOND FOUNDATION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of The Split Second Foundation, Inc., which was prepared in accordance with generally accepted accounting principles 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.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements as reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The Split Second Foundation, Inc. were disclosed in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended December 31, 2024.
5. The Split Second Foundation, Inc. did not expend more than \$750,000 in federal awards during the year ended December 31, 2024, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings for the year ended December 31, 2024.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Organization for the year ended December 31, 2024.

REPORT BY MANAGEMENT

THE SPLIT SECOND FOUNDATION, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2024

The Schedule of Prior Year Audit Findings was not applicable for year ended December 31, 2023.

SUPPLEMENTARY INFORMATION

THE SPLIT SECOND FOUNDATION, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXECUTIVE DIRECTOR: MARK RAYMOND JR

Salary	\$ 106,000
Benefits-insurance	9,039
Reimbursements	13,756
Registration fees	49
Total	<u>\$ 128,844</u>

See notes to the financial statements.

STATEWIDE AGREED UPON PROCEDURES



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors of
The Split Second Foundation, Inc.
New Orleans, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Split Second Foundation, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Split Second Foundation, Inc. (a nonprofit "Organization") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 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 Organization's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Organization's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Result: There were no exceptions noted.

- 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 the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Result: There were no exceptions noted.

- iii. ***Disbursements***, including processing, reviewing, and approving.

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

- ix. ***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 Organization's ethics policy.

Result: The Organization is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

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

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

- 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 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.

Result: There were no exceptions noted.

- 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.

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

2.) Board or Finance Committee

- A. 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:

- i. 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.

Results: There were no exceptions noted.

- ii. For those entities reporting on the nonprofit accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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 the entity's collections during the fiscal period.

Results: There were no exceptions noted.

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

Results: The Organization is a nonprofit organization; therefore, this agreed-upon procedure does not apply.

- iv. 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: This is not applicable because the Organization did not have audit findings.

3.) Bank Reconciliations

- A. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization'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:

Result: We obtained the required list with management's representation that the listing is complete.

- 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).

Result: There were no exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a 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 or electronically logged); and

Result: There were no exceptions noted.

- iii. 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.

Result: There were no exceptions noted.

4.) Collections (excluding electronic funds transfers)

- A. 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).

Result: We obtained the required list with management's representation that the listing is complete.

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

Result: We obtained the required list with management's representation that the listing is complete.

- i. Employees responsible for cash collections do not share cash drawers/registers.

Result: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Result: There were no exceptions noted.

- iii. 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.

Result: There were no exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- D. Randomly select 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.* Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.

Result: There were no exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Result: There were no exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

Result: There were no exceptions noted.

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

- A. 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).

Result: We obtained the required list with management's representation that the listing is complete.

- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Result: We obtained the required list with management's representation that the listing is complete.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

Result: There were no exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- iv. 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.

Result: There were no exceptions noted.

- v. Only employees/officials are 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.

Result: There were no exceptions noted.

- C. For each location selected under procedure #5A above, obtain the Organization'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:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Organization.

Result: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Result: There were no exceptions noted.

- D. Using the Organization's main operating account and the month selected in Bank Reconciliations procedure #3A, 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 Organization's policy, and (b) approved by the required number of authorized signers per the Organization'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.

Result: There were no exceptions noted.

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

- A. 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.

Result: We obtained the required list with management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized 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 (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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: There were no exceptions noted.

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

- A. 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 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:

Result: We obtained the required list with management's representation that the listing is complete.

- 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).

Result: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: There were no exceptions noted.

8.) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Result: We obtained the required list with management's representation that the listing is complete.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Result: This is not applicable, as the Organization did not have any contracts under the Louisiana Public Bid Law requirements.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.

Result: There were no exceptions noted.

- iii. 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).

Result: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Result: There were no exceptions noted.

9.) Payroll and Personnel

- A. 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.

Result: We obtained the required list with management's representation that the listing is complete.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Result: There were no exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Result: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records.

Result: There were no exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Result: There we no exceptions noted.

- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Organization's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to Organization policy.

Result: We obtained the required list with management's representation that the listing is complete. There were no exceptions noted.

- D. 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) have been paid, and any associated forms have been filed, by required deadlines.

Result: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines. There were no exceptions 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 agency has appointed an ethics designee as required by R.S. 42:1170.

The Organization is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

11.) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

12.) Fraud Notice

- A. 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 Organization reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Organization is domiciled as required by Louisiana Revised Statute (R.S.) 24:523.

Result: The Organization represented that there were no misappropriations of public funds for the fiscal year. There were no exceptions noted.

- B. Observe the Organization 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.

Result: There were no exceptions noted.

13.) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures:

- A. Obtain and inspect the Organization'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.

Result: We performed the procedure and discussed the results with management.

- B. Obtain and inspect the Organization'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.

Result: We performed the procedure and discussed the results with management.

- C. Obtain a listing of the Organization'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.

Result: We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Result: We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that 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.

Result: We performed the procedure and discussed the results with management.

14.) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.
- B. Observe 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. 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 the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - 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. The amount of time it took to resolve each complaint.

The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

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

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

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



Metairie, Louisiana
June 20, 2025

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)**

_____ (Date Transmitted)

_____ Bernard & Franks _____ (CPA Firm Name)
_____ 414 Veterans Memorial Boulevard _____ (CPA Firm Address)
• _____ Metairie, LA, 70002 _____ (City, State Zip)

In connection with your audit of our financial statements as of 12/31/24 and for
1/1/24 – 12/31/24 (period of
audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in
accordance with accounting principles generally accepted in the United States of America, to assess our
internal control structure as a part of your audit, and to review our compliance with applicable laws and
regulations, we confirm, to the best of our knowledge and belief, the following representations. These
representations are based on the information available to us as of
5/28/25 (date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

The Split Second Foundation, Inc.

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members
of the governing board, chief executive and fiscal officer, and legal counsel.

See attached document.

3. Period of time covered by this questionnaire.

1/1/24 – 12/31/24

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s)
(R.S.) and, if applicable, local resolutions/ordinances.

Louisiana non-profit 501(c)3

5. Briefly describe the public services provided.

*The Split Second Foundation, Inc's mission is to deliver comprehensive care, resources, education and
advocacy to those affected by disabilities, promoting independent living and enhancing their quality of life.*

6. Expiration date of current elected/appointed officials' terms.

Each Board Member serves a term of 2 years.

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year,
by grant and grant year.

Yes ☒ No ☐ N/A ☐

8. All transactions relating to federal grants have been properly recorded within our accounting records
and reported to the appropriate federal grantor officials.

Yes ☐ No ☐ N/A ☒

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes ☐ No ☐ N/A ☒

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes ☒ No ☐ N/A ☐

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes ☐ No ☐ N/A ☒

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes ☐ No ☐ N/A ☒

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐ N/A ☐

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes ☐ No ☐ N/A ☒

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes ☐ No ☐ N/A ☒

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes ☒ No ☐ N/A ☐

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes ☐ No ☐ N/A ☒

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes ☒ No ☐ N/A ☐

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes ☐ No ☐ N/A ☒

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes ☐ No ☐ N/A ☒

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes ☐ No ☐ N/A ☒

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes ☒ No ☐ N/A ☐

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes ☒ No ☐ N/A ☐

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☐ No ☐ N/A ☒

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐ N/A ☐

26. We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☐ No ☐ N/A ☒

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<u>Mark Reynolds, Jr.</u>	President	<u>June 18, 2025</u>	Date