

SportsBR, Inc.
Baton Rouge, Louisiana
December 31, 2017

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**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Neal D. King, CPA
Brittany B. Thames, CPA

Independent Accountant's Review Report

Board of Directors
SportsBR, Inc.
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of SportsBR, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

In accordance with Louisiana Governmental Audit Guide, and the provisions of state law, we have also issued our report dated June 22, 2018, on the results of our agreed upon procedures.

Hawthorn, Waymouth & Carroll, L.L.P.

June 22, 2018

SportsBR, Inc.
Statements of Financial Position
December 31, 2017 and 2016
(See Independent Accountant's Review Report)

	Assets	
	2017	2016
Current Assets		
Cash and cash equivalents	\$ 92,110	\$ 69,157
Prepaid insurance	1,364	1,304
Total current assets	93,474	70,461
Fixed Assets		
Equipment	3,191	3,191
Accumulated depreciation	(3,191)	(3,191)
Total fixed assets, net	-	-
Total assets	\$ 93,474	\$ 70,461

Liabilities and Net Assets (Deficit)

Current Liabilities		
Accounts payable	\$ 8,304	\$ 5,647
Accrued liabilities	2,804	1,079
Accrued salary	20,000	20,000
Deferred income	50,000	73,834
Total current liabilities	81,108	100,560
Unrestricted Net Assets (Deficit)	12,366	(30,099)
Total liabilities and net assets (deficit)	\$ 93,474	\$ 70,461

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

SportsBR, Inc.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2017 and 2016
(See Independent Accountant's Review Report)

	2017	2016
Revenue and Support		
State grants	\$ 191,873	\$ 195,000
Events and sponsorships	415,664	102,508
Contributions	13,844	-
	621,381	297,508
Expenses		
Advertising	1,304	647
Auto expense	11,174	11,325
Depreciation	-	200
Dues and subscriptions	1,920	40
Employee benefits	9,040	8,015
Events	337,277	88,291
Insurance	4,133	5,317
Meals and travel	2,640	270
Miscellaneous	668	276
Office	2,238	973
Payroll	183,720	187,220
Payroll taxes	14,325	14,007
Professional fees	8,497	9,789
Sponsorships	1,000	-
Website	980	644
	578,916	327,014
Other Income		
B.P. settlement	-	57,689
	42,465	28,183
Change in Unrestricted Net Assets	42,465	28,183
Unrestricted Net Assets (Deficit), beginning of year	(30,099)	(58,282)
Unrestricted Net Assets (Deficit), end of year	\$ 12,366	\$ (30,099)

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

SportsBR, Inc.
Statements of Cash Flows
Years Ended December 31, 2017 and 2016
(See Independent Accountant's Review Report)

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 42,465	\$ 28,183
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	-	200
(Increase) Decrease in assets:		
Prepaid insurance	(60)	-
Increase (Decrease) in liabilities:		
Accounts payable	2,657	(3,240)
Accrued liabilities	1,725	474
Deferred revenue	(23,834)	10,196
	22,953	35,813
 Net Change in Cash and Cash Equivalents	 22,953	 35,813
Cash and Cash Equivalents, beginning of year	69,157	33,344
 Cash and Cash Equivalents, end of year	 \$ 92,110	 \$ 69,157

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

SportsBR, Inc.
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies

A. Nature and Purpose

SportsBR, Inc. (the "Organization"), previously Baton Rouge Sports Area Foundation, Inc., is a Louisiana nonprofit corporation, incorporated on June 21, 1994. The purpose of the Organization is to assist in securing and staging state-wide, regional, national and international sporting competitions and special events for the Greater Baton Rouge area.

B. Basis of Accounting and Presentation

The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those net assets whose use by the Organization has been limited by donors (a) to later periods of time or other specific dates, or (b) for specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Organization's use of the assets. At December 31, 2017 and 2016, the Organization had no temporarily or permanently restricted net assets.

C. Use of 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 the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

E. Fixed Assets

Fixed assets purchased in excess of \$1,000 are capitalized and stated at cost or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets (equipment - 5 years). Expenditures for major repairs and improvements that extend the useful lives of fixed assets are capitalized at cost. Expenditures for maintenance and minor repairs are charged to expense as incurred.

SportsBR, Inc.
Notes to Financial Statements
December 31, 2017

Note 1-Summary of Significant Accounting Policies (Continued)

F. Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants, which are considered exchange transactions, are recognized when allowable costs are incurred to provide the services specified under the terms of the grant agreements. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

G. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and has been classified as an entity other than a private Organization within the meaning of Section 509(a). Accordingly, no provision has been made for income taxes.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the Organization were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

H. Advertising Costs

Advertising costs are expensed as incurred and totaled \$1,304 and \$647 for the years ended December 31, 2017 and 2016, respectively.

Note 2-Board of Directors Compensation

The Board of Directors is a voluntary board, therefore, no compensation or per diem has been paid to any director.

Note 3-Contingencies - Grant Program

The Organization receives revenue through grants and contracts administered by the State of Louisiana. The grant and contract amounts are appropriated each year by the state government. If significant budget cuts are made at the state level, the amount of funds received by the Organization could be reduced significantly by an amount that could adversely impact its operations. Management is not aware of any actions that will adversely affect the amount of grants and contracts the organization will receive in the next fiscal year.

SportsBR, Inc.
Notes to Financial Statements
December 31, 2017

Note 4-Operating Leases

The Organization has an operating lease for an automobile, which expires in January 2019. Included in auto expense is lease expense of \$6,310 and \$6,189 for the years ended December 31, 2017 and 2016, respectively. Future payments on this lease are as follows:

2018	\$ 6,228
2019	558

Note 5-Related Party Transactions

For the year ended December 31, 2017, the Organization received \$13,844 in contributions from an organization related through common management. The Organization received no such funds in 2016.

Note 6-Subsequent Events

Management of the Organization evaluated all subsequent events through June 22, 2018, the date the financial statements were available to be issued. As a result, the Organization noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Supplementary Information

SportsBR, Inc.
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended December 31, 2017

Agency Head: Eric Engemann, President

<u>Purpose:</u>	<u>Amount</u>
Salary	\$ 83,520
Benefits - insurance	660
Benefits - retirement	0
Car allowance	0
Vehicle provided by agency	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0



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**Independent Accountant’s Report
on Applying Agreed-Upon Procedures**

Board of Directors
SportsBR, Inc.
Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of SportsBR, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about SportsBR, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2017 included in the accompanying *Louisiana Attestation Questionnaire*. Management of SportsBR, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

- Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

SportsBR, Inc.'s state award expenditures for all state programs for the fiscal year follow:

<u>Federal, State or Local Grant Name</u>	<u>Grant Year</u>	<u>CFDA Number (if applicable)</u>	<u>Amount</u>
State of Louisiana	2016	N/A	\$ 50,000
State of Louisiana	2017	N/A	50,000
Visit Baton Rouge	2017	N/A	<u>91,873</u>
Total Expenditures			<u>\$ 191,873</u>

Federal, State, and Local Awards (Continued)

2. Since award amounts are unrestricted and commingled with other funds, we randomly selected twelve disbursements from the check register.
3. For the items selected in procedure 2, we traced the twelve disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the twelve selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the twelve disbursements were properly coded to the correct fund and general ledger account.

All twelve disbursements were properly coded to the correct general ledger accounts.

5. For the items selected in procedure 2, we determined if the twelve disbursements received approval from proper authorities.

All twelve disbursements were properly approved by the Executive Director.

6. For the items selected in procedure 2: For state and local awards, we determined if the disbursements complied with the grant agreement, relating to:

- a. Activities Allowed or Unallowed

We reviewed the previously selected disbursements for types of services allowed or not allowed. All disbursements selected met the grant requirements.

- b. Eligibility

We reviewed the previously selected disbursements for eligibility requirements. All disbursements selected were eligible.

- c. Reporting

We reviewed the previously selected disbursements for reporting requirements. No exceptions were noted.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the agency's financial records to determine that the amounts agree.

This section was not applicable for this review period.

Open Meetings

8. Based upon inquiry with management, agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

SportsBR, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. Review of prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

This section was not applicable for this review period.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of SportsBR, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hawthorn, Weymouth & Carroll, LLP

June 22, 2018

SportsBR, Inc.
Schedule of Findings and Responses
Year Ended December 31, 2017

Findings - Financial Statement Review

None.

SportsBR, Inc.
Schedule of Prior Year Findings and Responses
Year Ended December 31, 2017

Findings - Financial Statement Review

None.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

6/26/19 (Date Transmitted)

Hanthon, Wapmouth & Carroll, LLP (Auditors)

In connection with your review of our financial statements as of 12/31/17 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

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

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

Yes No

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

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

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 at <http://app1.la.state.la.us/lla/la.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes No

Budget

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

Yes No

Reporting

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

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

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 federal, state, and local grants, to include the applicable 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 will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

_____	Secretary	_____	Date
_____	Treasurer	612611P	Date
_____	President	6/26/18	Date