

TrainingGrounds, Inc.
Financial Statements
December 31, 2024



TrainingGrounds

Providing Knowledge To Move Families & Communities Forward



Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
TrainingGrounds, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TrainingGrounds, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements 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 TrainingGrounds, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TrainingGrounds, 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, as required by the State of Louisiana is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such 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 accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Board of Trustees
TrainingGrounds, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025, on our consideration of the TrainingGrounds, 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 TrainingGrounds, 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 TrainingGrounds, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited TrainingGrounds, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
June 12, 2025

TrainingGrounds, Inc.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

(With Summarized Financial Information at December 31, 2023)

	2024	2023
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,775,896	\$ 2,702,247
Restricted cash	165,000	0
Accounts receivable, net	96,860	6,447
Grants receivable, net	134,727	66,255
Accrued program service revenue, net	0	79,072
Prepaid expenses	21,332	12,296
Promises to give, net	377,500	160,000
Investments	250,000	504,441
Furniture and equipment, net	2,318	3,745
Operating lease right-of-use asset-Building	143,269	0
Security deposit	3,100	0
Total Assets	<u>\$ 4,970,002</u>	<u>\$ 3,534,503</u>
<u>LIABILITIES</u>		
Accounts payable	41,529	2,554
Accrued expenses	25,620	19,169
Deferred revenue	118,099	173,940
Refundable advance	50,000	0
Operating lease liability	140,647	0
Total Liabilities	<u>375,895</u>	<u>195,663</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	815,660	731,542
Board-designated	2,719,851	2,179,213
Total without donor restrictions	3,535,511	2,910,755
With donor restrictions	1,058,596	428,085
Total Net Assets	<u>4,594,107</u>	<u>3,338,840</u>
Total Liabilities and Net Assets	<u>\$ 4,970,002</u>	<u>\$ 3,534,503</u>

TrainingGrounds, Inc.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

(With Summarized Financial Information for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<u>SUPPORT AND REVENUES</u>				
Contributions of cash and other financial assets	\$ 26,405	\$ 0	\$ 26,405	\$ 40,003
Contributions of nonfinancial assets	19,200	0	19,200	4,800
Pass-through government grant income	536,394	0	536,394	500,224
Private grant income	48,512	905,000	953,512	1,975,100
Fiscal sponsorship grant	0	200,000	200,000	0
United Way grant income	0	50,000	50,000	50,000
Contractor revenue	762,292	0	762,292	277,081
Workshop revenue	5,945	0	5,945	11,871
Miscellaneous income	1,587	0	1,587	42,928
Investment return, net	159,832	0	159,832	12,166
Net assets released from restrictions	524,489	(524,489)	0	0
Total Support and Revenues	2,084,656	630,511	2,715,167	2,914,173
<u>EXPENSES</u>				
<i>Program Services:</i>				
Education and training	1,320,802	0	1,320,802	808,511
<i>Supporting Services:</i>				
Management and general	112,105	0	112,105	61,570
Fundraising and development	26,993	0	26,993	24,268
Total Expenses	1,459,900	0	1,459,900	894,349
Change in Net Assets	624,756	630,511	1,255,267	2,019,824
Net Assets - Beginning of Year	2,910,755	428,085	3,338,840	1,319,016
Net Assets - End of Year	\$ 3,535,511	\$ 1,058,596	\$ 4,594,107	\$ 3,338,840

TrainingGrounds, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

(With Summarized Financial Information for the Year Ended December 31, 2023)

	<i>Program Services</i>	<i>Supporting Services</i>			
	Education and Training	Management and General	Fundraising and Development	2024 Total	2023 Total
Accounting fees	\$ 36,553	\$ 24,806	\$ 0	\$ 61,359	\$ 47,784
Advertising and promotion	30,801	250	0	31,051	14,914
Bank fees	163	363	1	527	612
Credit losses	1,431	0	0	1,431	11,343
Depreciation	1,426	0	0	1,426	1,426
Employee benefits	82,085	4,660	0	86,745	1,251
Fiscal sponsorship	35,000	0	0	35,000	0
Food	3,206	464	0	3,670	1,595
Insurance	6,763	6,763	0	13,526	9,030
Miscellaneous	2,273	1,330	109	3,712	1,838
Occupancy	52,693	11,275	0	63,968	36,600
Payroll taxes	54,852	1,883	0	56,735	34,101
Postage	136	363	0	499	715
Printing	1,472	443	0	1,915	3,037
Professional fees	166,163	12,835	19,377	198,375	199,512
Salaries and wages	724,752	26,764	0	751,516	445,923
Specific assistance	0	0	0	0	4,000
Staff development	12,749	1,786	0	14,535	3,012
Stipends	11,549	0	0	11,549	0
Special Events	4,045	775	125	4,945	0
Supplies	59,941	8,453	0	68,394	50,424
Technology	19,097	3,979	7,206	30,282	20,360
Telephone	2,524	0	0	2,524	611
Travel	3,976	273	175	4,424	908
Uniforms	2,512	0	0	2,512	2,434
Workers' compensation	4,640	4,640	0	9,280	2,919
Total Expenses	\$ 1,320,802	\$ 112,105	\$ 26,993	\$ 1,459,900	\$ 894,349

TrainingGrounds, Inc.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

(With Summarized Financial Information for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS OPERATING ACTIVITIES</u>		
Change in net assets	\$ 1,255,267	\$ 2,019,824
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,426	1,426
(Increase) in Accounts receivable	(90,413)	(5,089)
(Increase) in Grants receivable	(68,472)	(33,227)
(Increase) Decrease in Accrued program service revenue	79,072	(79,072)
(Increase) in Prepaid expenses	(9,036)	(4,789)
(Increase) Decrease in Promise to give	(217,500)	102,500
(Increase) in Security deposits	(3,100)	0
Increase in Accounts payable	38,976	1,044
Increase in Accrued expenses	6,451	2,563
Increase (Decrease) in Deferred revenue	(55,841)	172,213
Increase in Refundable advance	50,000	0
(Decrease) in Lease liability	(2,622)	0
Net Cash Provided by Operating Activities	<u>984,208</u>	<u>2,177,393</u>
<u>CASH FLOWS INVESTING ACTIVITIES</u>		
Purchases of Investments	(250,000)	(504,441)
Sale of Investments	<u>504,441</u>	<u>0</u>
Net Cash Provided by (Used in) Investing Activities	<u>254,441</u>	<u>(504,441)</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	1,238,649	1,672,952
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>2,702,247</u>	<u>1,029,295</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>\$ 3,940,896</u></u>	<u><u>\$ 2,702,247</u></u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid during the year for:		
Interest	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Income Taxes	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Operating lease right-of-use asset and liability at lease commencement	<u><u>\$ 153,672</u></u>	<u><u>\$ 0</u></u>
<u>RECONCILIATION TO STATEMENT OF FINANCIAL POSITION</u>		
Cash and Cash Equivalents	\$ 3,775,896	\$ 2,702,247
Restricted Cash	<u>165,000</u>	<u>0</u>
Cash, Cash Equivalents, and Restricted Cash	<u><u>\$ 3,940,896</u></u>	<u><u>\$ 2,702,247</u></u>

See accompanying notes to financial statements.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

A. Nature of Activities

TrainingGrounds, Inc. (the “Organization”), a Louisiana non-profit corporation, was established in the metropolitan New Orleans area to create supportive learning environments that enable caregivers and educators to provide children with quality experiences that promote healthy brain development, appropriate adult-child interactions, and positive social-emotional skills.

The Organization operates the We PLAY Center, provides workshops for parents, and administers professional development training for early childhood educators.

B. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: These amounts are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. This class of net assets also includes assets previously restricted where restrictions have expired or been met.

Net Assets with donor restrictions: These amounts are subject to stipulations imposed by donors and grantors. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Donor restrictions may also be perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

In addition, the Board of Directors has designated certain net assets as operating reserves to ensure the long-term financial stability of the Organization’s mission, programs, employment, and ongoing operations. The Board of Directors has also designated certain net assets for opportunity reserves and for specific expenditures.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

B. Summary of Significant Accounting Policies (Continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023 from which the summarized information was derived.

Estimates

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

Income Tax Status

The Organization is a non-profit corporation 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. Management has evaluated its tax positions and concluded that the Organization has taken no uncertain tax positions that required recognition or disclosure in the financial statements. Tax years ended December 31, 2021 and later remain subject to examination by the taxing authorities.

Cash, Cash Equivalents, and Restricted Cash

For the purpose of the Statement 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.

Restricted Cash relates to funds obtained through a fiscal sponsorship agreement with an unrelated party.

Accounts Receivable and Contract Assets

Accounts receivable and other contract assets represent consideration from contractor or workshop revenues, of which the Organization has an unconditional right to receive payment. Management has assessed accounts receivable and other contract assets for impairment using the current expected credit loss model, taking into consideration historical information, current losses, and reasonable supportable forecasts to project expected future losses.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

B. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contractor and workshop revenues are recognized as revenues when the revenues are earned. Revenues are earned when the activities or services are provided, and the Organization does not believe it is required to provide additional activities or services. Fees received in advance are deferred to the applicable period in which the related services are performed.

Contributed Support

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are reported as without donor restrictions unless the contributions have donor-imposed restrictions. Contributions restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give are recognized as contributed support when the conditions on which they depend are substantially met. When donor-imposed conditions and restrictions are met in the same reporting period, the contribution is reported as an increase in net assets without donor restrictions.

Grants Receivable

Grants receivable represents billings which are based primarily on cost reimbursement contracts with governmental agencies or pass-through recipients of governmental funds. Grants receivable is stated at the amount management expects to collect from outstanding balances. Management monitors outstanding receivable balances and charges off to a provision for credit losses any balances that are determined to be uncollectible. In 2024, credit losses were \$1,431. As of December 31, 2024, management has determined, based on historical experiences, that all remaining grant receivable balances are fully collectible; as a result, there is no allowance for uncollectible grants receivable at year end.

Governmental Financial Assistance

Amounts received from federal or state agencies or as a pass-through cost-reimbursement grant originating with federal or state funding are recognized as government grant income when the Organization has a right to reimbursement under the related grant document, generally corresponding to the incurring of grant-related costs by the Organization that are in compliance with the specific contract or grant provisions.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

B. Summary of Significant Accounting Policies (Continued)

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Contributed Facilities

Donations of facilities are recorded as contributions at the fair value at the date of donation, based on the fair value of similar rental spaces. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the use of the donated facility to a specific purpose. In 2024, the Organization received \$19,200 of donated space for a second location of the We PLAY Center to operate. This amount is included in occupancy expenses in the Statement of Functional Expenses.

Investments

At December 31, 2024, investments consisted of short-term certificates of deposit. Investments are reported at their fair values in the Statement of Financial Position based on quoted market prices in active markets for identical assets and liabilities (Level 1).

Fair Value Measurements

Generally accepted accounting principles require the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the assets and liabilities, either directly or indirectly (Level 2); and unobservable inputs from the assets or liabilities (Level 3). The Organization had no Level 2 or Level 3 assets or liabilities at December 31, 2024.

Investment Return, Net

Investment return consists of interest earnings on cash in banks and certificates of deposit. The amount is net of any investment expenses.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. These expenses were allocated based on estimates of time and effort.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

B. Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization has adopted a policy of capitalizing property and equipment greater than \$2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is provided using the straight-line basis over the estimated useful lives of the depreciable assets. The estimated useful life for furniture and equipment is 5 years.

Leases

The Organization determines if an arrangement is an operating or finance lease at the inception of the contract. All of the Organization's leases were determined to be operating leases.

Operating lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term, discounted using the risk-free rate. Operating lease costs are recognized as expenses on a straight-line basis over the lease term. All leases with ROU assets greater than \$2,500 are reported on the Statement of Financial Position, except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

The Organization has elected the practical expedient for all leased assets that do not have a readily determinable rate implicit in the lease to use the risk-free rate. The risk-free discount rate used of 4% was based on the U.S. Treasury rates.

The Organization has elected not to recognize right-of-use assets and lease liabilities for its operating leases for office space, computers, and other office equipment for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. For these agreements, lease costs are reported on a straight-line basis over the lease term.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2024 were \$31,051.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

B. Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications had no effect on previously reported change in net assets.

Subsequent Events

Subsequent events have been evaluated through June 12, 2025, which is the date the financial statements were available to be issued.

C. Accounts Receivable and Accrued Program Service Revenue

Accounts receivable consists of \$96,860 and \$6,447 from contractor revenue at December 31, 2024 and January 1, 2024, respectively. Accrued program service revenue consists of \$79,072 from contractor revenue at January 1, 2024. There was no accrued revenue at December 31, 2024. Management believes there is low risk (or no risk) of credit loss related to these financial instruments; as a result, the allowance for credit losses is \$0.

Allowance for credit losses- Beginning of Year	\$ 0
Provision for expected credit losses	1,431
Writeoffs	(1,431)
Recoveries collected	<u>0</u>
Allowance for credit losses- End of Year	<u>\$ 0</u>

D. Promises to Give

Promises to give at December 31, 2024 consists of \$377,500 from five grantors. Amounts are unconditional and due in less than one year. Management expects all balances to be fully collectible; as a result, there is no allowance for uncollectible promises receivable at year end.

E. Furniture and Equipment

A summary of property and equipment at December 31, 2024 is as follows:

Furniture and equipment	\$ 7,132
Less: Accumulated depreciation	<u>(4,814)</u>
Total Furniture and equipment, net	<u>\$ 2,318</u>

Depreciation expense for 2024 is \$1,426.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

F. Deferred Revenue

Deferred revenue consists of \$118,099 and \$173,940 from contractor revenue as of December 31, 2024 and January 1, 2024, respectively.

G. Net Assets

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or time restricted. These restrictions are considered to expire when expenditures for restricted purposes are made, or when time has passed for time-restricted net assets.

At December 31, 2024, net assets with donor restrictions are available for the following purposes:

Subject to expenditure for specified purposes:

Operation of the We Play Center & Hub	\$ 123,928
Perinatal services	215,000
Perinatal model	129,575
Education and training programs	22,343
Replication and expansion	128,114

Subject to passage of time:

Unconditional promise to give	<u>439,636</u>
Total	<u>\$ 1,058,596</u>

The following net assets with donor restrictions were released during 2024 due to the satisfaction of donor restrictions:

Operation of the We Play Center & Hub (Time and Purpose restrictions)	\$ 267,773
Perinatal services	85,000
Perinatal model	20,425
Education and training programs	132,718
Replication and expansion	12,573
Executive coaching	<u>6,000</u>
Total	<u>\$ 524,489</u>

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

G. Net Assets (Continued)

At December 31, 2024, The following net assets were designated by the Board of Directors as follows:

Operating reserves	\$ 501,128
Opportunity reserves	1,790,172
Specific expenditures- Employee Benefits	<u>428,551</u>
Total Board-designated net assets	<u>\$ 2,719,851</u>

In 2024, \$21,089 of board-designated assets were used to fund insurance benefits for employees.

H. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date:

Financial assets		\$ 4,799,983
Less: Amounts unavailable for general expenditures within one year due to:		
Donor-imposed restrictions:		
Cash, cash equivalents, and restricted cash	(688,753)	
Promises to give	<u>(369,843)</u>	<u>(1,058,596)</u>
Board-designations:		
Cash and cash equivalents	(2,469,851)	
Investments	<u>(250,000)</u>	<u>(2,719,851)</u>
Financial assets available to meet general expenditures over the next twelve months		<u>\$ 1,021,536</u>

As part of the Organization's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

I. Description of Leasing Arrangements

In September 2024, the Organization leased office and program center space for monthly payments of \$3,100. The initial lease term is through August 31, 2026, with two one-year options under the same terms, except the rental rate increases 3% annually. The Organization intends to exercise the options. The Organization recorded a ROU asset and related lease liability as of September 1, 2024 in the amount of \$153,672. As of December 31, 2024, the ROU asset was \$143,269.

In August 2023, the Organization renewed a lease for space to operate its We PLAY Center and to hold education and training workshops for monthly payments of \$2,650. The lease expired on July 31, 2024 and the term is now month to month.

Operating lease costs for 2024 were \$44,200 (\$12,400 long-term lease costs and \$31,800 short-term lease costs) and are included in occupancy expenses in the Statement of Functional Expenses.

The weighted average remaining lease term for operating leases is 3.67 years.

The weighted average discount rate for operating leases is 4%.

Future maturity of the lease liability is as follows:

Year Ended December 31,	
2025	\$ 35,700
2026	42,420
2027	43,693
2028	<u>29,705</u>
Total future liability	\$ 151,518
Less imputed interest	<u>(10,871)</u>
Operating lease liability	<u>\$ 140,647</u>

Subsequent to year end, the Organization entered into a lease for space to operate its We PLAY Center and to hold education and training workshops for monthly payments of \$3,183. The noncancelable lease term is April 1, 2025 to March 31, 2026.

J. Concentration of Credit Risk

The Organization maintains deposits with three financial institutions. At times, its cash in the bank deposit accounts and its certificates of deposit may exceed federally insured limits. As of December 31, 2024, uninsured cash and cash equivalent balances, as well as investment balances were approximately \$1,228.

TrainingGrounds, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2024

K. Current Vulnerability Due to Certain Concentrations

The Organization is supported primarily through individual donor contributions, private grant income, the United Way, and contracts with other nonprofit agencies and governmental entities. In 2024, 96% of pass-through government grant income and 97% of grants receivable relate to cost-reimbursement contract awards from two entities.

Other concentrations as of and for the year ended December 31, 2024 are as follows:

- 58% of private grant income was received from one private grantor and 66% of promises to give is due from one private grantor.
- 80% of contractor revenue was for services provided to two nonprofit agencies and 69% of accounts receivable was for services provided to two nonprofit agencies.

L. Conditional Contributions

As of December 31, 2024, the following conditional contributions were outstanding:

The Organization had three outstanding awards from pass-through government contracts. The total amount of the awards remaining to be expended and reimbursed in 2025 is approximately \$360,000.

The Organization had one conditional contribution from a private foundation totaling \$100,000, contingent upon an acceptable performance in year two and the acceptance of the project objectives and action steps, as well as, the project operating budget for the subsequent year.

The Organization had a refundable advance of \$50,000 from one grantor who awarded a revocable grant until certain conditions are met.

SUPPLEMENTAL INFORMATION

TrainingGrounds, Inc.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head Name: Melanie Richardson, Executive Director

Purpose:		
	Salary	\$ 139,615
	Employee Benefits:	
	Medical Insurance	11,023
	Dental Insurance	373
	Vision Insurance	68
	Life Insurance	184
		<hr/>
		\$ 151,263
		<hr/>

KIRTH M. PACIERA, C.P.A.
TIMOTHY L. PRIEST, C.P.A.

MEMBERS OF
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SIDNEY T. SPILSBURY, C.P.A.
(1905-1985)
KEITH T. HAMILTON, C.P.A.
(1932-2003)
LEROY P. LEGENDRE, C.P.A.
(Retired)
RENE G. GAUTREAU, C.P.A.
(1958-2019)

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
TrainingGrounds, 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 TrainingGrounds, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TrainingGrounds, 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 TrainingGrounds, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of TrainingGrounds, 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 TrainingGrounds, 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 TrainingGrounds Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TrainingGrounds, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Paciera, Gautreau & Priest, LLC". The signature is written in a cursive, flowing style.

Metairie, Louisiana
June 12, 2025

TRAININGGROUNDS, INC.

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

PACIERA, GAUTREAU & PRIEST
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

TrainingGrounds, Inc. 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) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024, through December 31, 2024. TrainingGrounds, Inc.'s management, is responsible for those C/C areas identified in the SAUPs.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. TrainingGrounds, Inc. 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 entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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 entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from 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.
- 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.

Results: No exceptions were noted as a result of applying these procedures.

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: No exceptions were noted as a result of applying this procedure.

- ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-

to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

Results: This procedure does not apply to TrainingGrounds, Inc. It is a nonprofit. This is not an exception.

- 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: This procedure does not apply to TrainingGrounds, Inc. It is a nonprofit. This is not an exception.

- 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 procedure does not apply to TrainingGrounds, Inc. There were no audit finding(s) or corrective action plan to consider. This is not an exception.

3. Bank Reconciliations

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

Results: No exceptions were noted as a result of applying these procedures.

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).

Results: No exceptions were noted as a result of applying these procedures.

- 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not 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.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were noted as a result of applying these procedures.

- 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 enforced during the fiscal period.

Results: No exceptions were noted as a result of applying these procedures.

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

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

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

- 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).

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

5. *Non-Payroll Disbursements (excluding card purchases/payments, 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).

Results: No exceptions were noted as a result of applying these procedures.

- B. For each location selected under #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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the 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.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were noted as a result of applying these procedures.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- i. Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Results: No exceptions were noted as a result of applying these procedures.

- D. Using the entity'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 entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were noted as a result of applying these procedures.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Results: No exceptions were noted as a result of applying these procedures.

- 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 that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were noted as a result of applying these procedures.

- C. Using the monthly statements or combined statements selected under #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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a

compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: No exceptions were noted as a result of applying these procedures.

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, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

- 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 Policy and Procedures procedure #1A(vii).

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

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:

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

Results: This procedure was not performed because TrainingGrounds, Inc. did not have any contracts subject to the Louisiana Public Bid Law. This is not an exception.

- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: This procedure was not performed because TrainingGrounds, Inc. is not subject to this policy or law. This is not an exception.

- 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).

Results: This procedure was not performed because TrainingGrounds, Inc. is not subject to this policy or law. This is not an exception.

- 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.

Results: This procedure was not performed because TrainingGrounds, Inc. is not subject to this policy or law. This is not an exception.

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.

Results: No exceptions were noted as a result of applying these procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #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). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - ii. Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

10. *Ethics*

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: This procedure was not performed because TrainingGrounds, Inc. is not subject to this policy or law. This is not an exception.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: This procedure was not performed because TrainingGrounds, Inc. is not subject to this policy or law. This is not an exception.

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.

Results: This procedure does not apply to TrainingGrounds, Inc. It is a nonprofit. This is not an exception.

- 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).

Results: This procedure does not apply to TrainingGrounds, Inc. It is a nonprofit. This is not an exception.

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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results: No exceptions were noted as a result of applying these procedures.

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

Results: No exceptions were noted as a result of applying these procedures.

13. Information Technology Disaster Recovery/Business Continuity

Perform the following procedures and verbally discuss the results with management:

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

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

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- C. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures 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 procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

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

Results: We performed the procedures 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 above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: This procedure does not apply to Training Grounds, Inc. It is a nonprofit. This is not an exception.

- 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).

Results: This procedure does not apply to Training Grounds, Inc. It is a nonprofit. This is not an exception.

- 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 it 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.
- v. Amount of time it took to resolve each complaint.

Results: This procedure does not apply to Training Grounds, Inc. It is a nonprofit. This is not an exception.

We were engaged by TrainingGrounds, 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 TrainingGrounds, 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 24:513, this report is distributed by the LLA as a public document.



Paciera, Gautreau & Priest, LLC
Metairie, Louisiana
June 12, 2025