

SUGAR BOWL

Audits of Financial Statements

June 30, 2024 and 2023



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Independent Auditor's Report

To the Executive Committee
Sugar Bowl

Opinion

We have audited the accompanying financial statements of Sugar Bowl (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 GAAS 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 GAAS 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 opinions on the financial statements as a whole. The accompanying supplementary information 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
September 5, 2024

SUGAR BOWL
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and Cash Equivalents	\$ 6,123,728	\$ 2,594,704
Accounts Receivable	189,934	122,799
Prepaid Expenses	727,667	348,090
Investments	78,502,859	66,360,580
Property and Equipment, Net	95,949	84,327
	<hr/>	<hr/>
Total Assets	\$ 85,640,137	\$ 69,510,500
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 3,318,972	\$ 307,752
Deferred Revenue	2,548,387	2,686,452
Other Accrued Expenses	300,000	400,000
	<hr/>	<hr/>
Total Liabilities	6,167,359	3,394,204
Net Assets		
With Donor Restrictions	250,000	-
Without Donor Restrictions - Undesignated	79,222,778	66,116,296
	<hr/>	<hr/>
Total Net Assets	79,472,778	66,116,296
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 85,640,137	\$ 69,510,500

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

SUGAR BOWL
Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024	2023
Change in Net Assets Without Donor Restrictions		
Revenue, Gains, and Other Support		
Revenue Under Contracts	\$ 23,624,014	\$ 30,744,500
Net Investment Return	10,006,123	5,220,530
Contribution of Nonfinancial Assets	98,587	98,587
Other Revenue	73,577	91,288
	<hr/>	<hr/>
Total Revenue, Gains, and Other Support	33,802,301	36,154,905
Expenses		
Program Expenses	18,706,074	32,444,123
Supporting Expenses - General and Administrative	1,989,745	1,734,251
	<hr/>	<hr/>
Total Expenses	20,695,819	34,178,374
	<hr/>	<hr/>
Change in Net Assets Without Donor Restrictions	13,106,482	1,976,531
Change in Net Assets With Donor Restrictions		
Contributions With Donor Restrictions	250,000	-
	<hr/>	<hr/>
Change in Net Assets With Donor Restrictions	250,000	-
	<hr/>	<hr/>
Change in Net Assets	13,356,482	1,976,531
Net Assets, Beginning of Year	66,116,296	64,139,765
	<hr/>	<hr/>
Net Assets, End of Year	\$ 79,472,778	\$ 66,116,296
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The accompanying notes are an integral part of these financial statements.

SUGAR BOWL
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Supporting Expenses -		
	Program Expenses	General and Administrative	Total
CFP Payout - Sugar Bowl	\$ 6,294,974	\$ -	\$ 6,294,974
Sugar Bowl Annual Game	5,777,497	-	5,777,497
Salaries and Wages	2,267,819	566,955	2,834,774
Concert Expenses	2,279,587	-	2,279,587
Donations and Ancillary Amateur Sports	850,248	-	850,248
Employee Benefits	504,904	126,226	631,130
Advertising and Promotion	609,626	-	609,626
Other Expenses	-	251,229	251,229
Office Expenses	-	234,045	234,045
Legal Fees	-	208,057	208,057
Insurance	-	166,321	166,321
Payroll Taxes	121,419	30,355	151,774
Occupancy	-	98,587	98,587
Accounting Fees	-	91,003	91,003
Conferences, Conventions, and Meetings	-	78,506	78,506
Travel	-	66,925	66,925
Uniforms	-	51,151	51,151
Depreciation	-	20,385	20,385
Total	\$ 18,706,074	\$ 1,989,745	\$ 20,695,819

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

SUGAR BOWL
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Expenses	Supporting Expenses - General and Administrative	Total
Conference Payout - Sugar Bowl	\$ 11,000,000	\$ -	\$ 11,000,000
Team Payout - Kickoff Game	10,200,000	-	10,200,000
Sugar Bowl Annual Game	4,800,913	-	4,800,913
Kickoff Game	2,901,149	-	2,901,149
Salaries and Wages	1,891,546	472,887	2,364,433
Donations and Ancillary Amateur Sports	698,495	-	698,495
Employee Benefits	439,012	109,753	548,765
Advertising and Promotion	285,579	-	285,579
Legal Fees	-	191,700	191,700
Other Expenses	-	156,076	156,076
Insurance	-	144,077	144,077
Accounting Fees	-	128,880	128,880
Concert Expenses	127,826	-	127,826
Office Expenses	-	126,847	126,847
Payroll Taxes	99,603	24,901	124,504
Occupancy	-	98,587	98,587
Uniforms	-	87,522	87,522
Conferences, Conventions, and Meetings	-	77,867	77,867
Travel	-	62,498	62,498
Depreciation	-	52,656	52,656
Total	\$ 32,444,123	\$ 1,734,251	\$ 34,178,374

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

SUGAR BOWL
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ 13,356,482	\$ 1,976,531
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	20,385	52,656
Net Unrealized and Realized Gains on Investments	(7,819,764)	(3,464,226)
(Increase) Decrease in Accounts Receivable	(67,135)	14,912
(Increase) Decrease in Prepaid Expenses	(379,577)	67,669
Increase in Accounts Payable and Accrued Expenses	2,911,220	25,177
(Decrease) Increase in Deferred Revenue	(138,065)	998,189
Net Cash Provided by (Used in) Operating Activities	7,883,546	(329,092)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(32,007)	(5,878)
Purchases of Investments	(12,001,931)	(1,692,137)
Proceeds from the Sale/Redemption of Investments	7,679,416	1,000,000
Net Cash Used in Investing Activities	(4,354,522)	(698,015)
Net Increase (Decrease) in Cash and Cash Equivalents	3,529,024	(1,027,107)
Cash and Cash Equivalents, Beginning of Year	2,594,704	3,621,811
Cash and Cash Equivalents, End of Year	\$ 6,123,728	\$ 2,594,704

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

SUGAR BOWL

Notes to Financial Statements

Note 1. Nature of Activities

Sugar Bowl (the Organization) is a not-for-profit organization whose program is to seek out, promote, finance, sponsor, schedule, conduct, and operate an annual calendar of national and international amateur and collegiate sporting events, along with other entertainment and recognition events, in the Greater New Orleans area and the State of Louisiana.

In addition to sponsoring these events around the Greater New Orleans Metropolitan area, the Organization hosts the Allstate Sugar Bowl, an annual collegiate football post-season bowl game.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Not-for-Profit Entities - Presentation of Financial Statements*.

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less.

Concentrations of Credit and Market Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization utilizes a sweep account and a repurchase agreement to minimize its risk.

SUGAR BOWL

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions

The Organization accounts for contributions in accordance with the recommendations of the FASB ASC 958-605 *Not-for-Profit Entities - Revenue Recognition*. In accordance with ASC 958-605, all donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions are recognized when cash, securities, capital assets, unconditional promises to give, or notification of a beneficial interest are received. Contributions which are conditional are recognized as revenue when the conditions are substantially met.

Revenue from Contracts with the Customers

The Organization accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring those services.

The Organization earns revenues from customers for exchange transactions such as sponsorships, fundraisers, and sales related to and at its events.

The Organization is utilizing the portfolio approach practical expedient in Accounting Standards Update (ASU) 2014-09 for contracts related to operating revenue. The Organization accounts for the contracts within each portfolio as a collective group, rather than individual contracts. Each portfolio consists of homogeneous contracts pertaining to a particular revenue stream, which are based on the type of service provided and generally consistent with classifications shown within donations and grants on the statements of activities. Based on the historical collection trends and other analysis, the Organization has concluded that revenue for a given portfolio would not be materially different from accounting for revenue on a contract-by-contract basis.

Contracts typically require the completion of a defined service and billing for completed services are based on actual amounts. The Organization satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized, after the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date. The Organization historically collects revenues before or at the time when the sales transaction is entered into. Advanced ticket sales for events and related sponsorships are deferred and recognized as revenue as events occur.

SUGAR BOWL

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Prior to July 1, 2023 accounts receivable were recorded at original invoice amount less an estimate made for doubtful receivables. Management determined the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, historical activity, and current economic conditions. Account balances were written off when the receivable deemed uncollectable. Recoveries of accounts receivable previously written off were recorded when received. There was no allowance for doubtful accounts at June 30, 2023.

Effective July 1, 2023 the Organization carries its accounts receivable net of an allowance for credit losses. Management determines the allowance using an estimate of expected credit losses, applied to revenue streams grouped by similar risk characteristics, based on historical experience, current economic conditions and certain forward-looking information. Account balances are written off against the established allowance when management determines it is probable the receivable will not be collected. There was no allowance for credit losses at June 30, 2024. The Organization does not believe it has any off-balance sheet credit exposure related to its customers. The opening balance of accounts receivable at July 1, 2022 totaled \$137,711.

Property and Equipment

Donated equipment is recorded at fair market value at the date of donation. Purchased equipment is recorded at cost. Acquisitions of property and equipment in excess of \$500 are capitalized. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized straight-line over the shorter of the lease term or estimated useful life of the asset. Repair and maintenance costs are expensed as incurred.

Deferred Revenue

Funds received in a year prior to that year for which the event is associated are deferred and recognized as revenues when the event occurs, and the revenues are earned.

Investments and Investment Valuation

Under FASB ASC 958-320 *Not-for-Profit Entities - Investments in Debt and Equity Securities*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Net investment return includes unrealized gains or losses, realized gains and losses, interest and dividends, net of investment fees.

The Organization's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

SUGAR BOWL

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification. Expenses that are allocated include salaries and wages, employee benefits, and payroll taxes which are allocated on the basis of estimates of time and effort.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As restrictions are met or until released in accordance with the Organization's spending policy, assets are reclassified to net assets without donor restrictions.

Direct Advertising

Direct advertising costs are expensed as incurred as part of the Organization's program expense. Direct advertising expense amounted to \$265,472 and \$280,579 for the years ended June 30, 2024 and 2023, respectively, and are included in advertising and promotion in the statements of functional expenses.

Income Tax

The Organization is qualified as a nonprofit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

SUGAR BOWL

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributed Nonfinancial Assets

Under FASB ASC 958-605 *Not-for-Profit Entities - Revenue Recognition*, organizations are required to recognize donations of goods and services as revenue and related expense for services received if the Organization would typically need to purchase these services. Since July 2017, the Organization was allowed to occupy an office space rent free for an unspecified period of time. The Organization estimates the market value of the space using publicly available commercial real estate rental listings in the same geographic area.

During the years ended June 30, 2024 and 2023, the Organization recognized \$98,587 of contribution revenue for each year. See Note 8.

Adoption of Accounting Pronouncements

On July 1, 2023, the Organization implemented ASU 2016-13 and all subsequent ASU's that modified ASU 2016-13, which have been codified under ASC 326, *Financial Instruments - Credit Losses*. This standard modified guidance related to estimating allowance for credit losses for amortized assets, such as accounts receivable and debt securities. The Organization implemented this guidance using the modified retrospective approach, as required, and has not adjusted prior period comparative information and will continue to disclose prior period financial information in accordance with previous accounting guidance. The implementation of ASC 326 did not result in a significant impact on the financial statements.

Note 3. Property and Equipment

Major classifications of property and equipment at June 30th consisted of the following:

	Useful Lives	2024	2023
Leasehold Improvements	10 - 15 Years	\$ 1,123,049	\$ 1,117,784
Furniture and Fixtures	5 - 10 Years	334,819	330,782
Computer Equipment	3 - 5 Years	240,419	217,714
		<u>1,698,287</u>	<u>1,666,280</u>
Less: Accumulated Depreciation and Amortization		<u>1,602,338</u>	<u>1,581,953</u>
Property and Equipment, Net		\$ 95,949	\$ 84,327

Depreciation expense for the years ended June 30, 2024 and 2023 totaled \$20,385 and \$52,656, respectively.

SUGAR BOWL

Notes to Financial Statements

Note 4. Investments and Fair Value Measurements

The Organization's investments are comprised of the following as of June 30th:

	2024	2023
Cash Held for Investment	\$ 250,000	\$ -
Money Market Funds	-	4,077,441
Mutual Funds	<u>78,252,859</u>	<u>62,283,139</u>
Total	<u>\$ 78,502,859</u>	<u>\$ 66,360,580</u>

The schedule below summarizes the investment results for the years ended June 30th for both the investments shown above:

	2024	2023
Interest Income, Net of Investment Expenses	\$ 113,844	\$ 64,167
Dividend Income	2,072,515	1,692,137
Realized and Unrealized Gains	<u>7,819,764</u>	<u>3,464,226</u>
Total	<u>\$ 10,006,123</u>	<u>\$ 5,220,530</u>

FASB ASC 820 (*Fair Value Measurement*) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of a valuation methodology that is unobservable and significant to the fair value measurement and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used in the instance Level 1 or Level 2 are not available.

SUGAR BOWL

Notes to Financial Statements

Note 4. Investments and Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value.

Level 1 The fair values of any U.S. Government Securities, mutual funds, equity securities, certificates of deposit, and cash held for investment are based on quoted net asset values of the shares held by the Organization at year-end. Most mutual funds held by the Organization are deemed to be actively traded.

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

The valuation of the Organization's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 was as follows:

2024	Level 1	Level 2	Level 3	Total
Cash Held for Investment	\$ 250,000	\$ -	\$ -	\$ 250,000
Mutual Funds				
Short-Term Federal Fund	7,489,354	-	-	7,489,354
Stock Market Index Fund	42,428,654	-	-	42,428,654
Short-Term Treasury Fund	24,891,674	-	-	24,891,674
International Stock Index Fund	3,443,177	-	-	3,443,177
Total	\$ 78,502,859	\$ -	\$ -	\$ 78,502,859
2023	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 4,077,441	\$ -	\$ -	\$ 4,077,441
Mutual Funds				
Short-Term Federal Fund	7,164,162	-	-	7,164,162
Stock Market Index Fund	29,600,863	-	-	29,600,863
Short-Term Treasury Fund	22,415,056	-	-	22,415,056
International Stock Index Fund	3,103,058	-	-	3,103,058
Total	\$ 66,360,580	\$ -	\$ -	\$ 66,360,580

SUGAR BOWL

Notes to Financial Statements

Note 5. Net Assets With Donor Restrictions

Within the year ended June 30, 2024, the Organization received a donation of \$250,000 with a purpose restriction of funding scholarships for five years through the Sugar Bowl Chapter of the National Football Foundation.

Note 6. Accounts Payable and Accrued Expenses

Accounts Payable and Accrued Expenses total \$3,318,972 at June 30, 2024. The two significant components within the total are the balance of the payout due to the College Football Playoff for the annual game played in January 2024, and the settlement with the artists that were to perform at a concert in September 2024 that was canceled in June 2024.

Note 7. Deferred Revenue

Deferred revenues totaled \$2,548,387 and \$2,686,452 as of June 30, 2024 and 2023, respectively, and consist of proceeds received from the sale of tickets and sponsorships relating to events that will take place in the year ending June 30, 2025. The opening balance of deferred revenue was \$1,688,263 as of July 1, 2022.

Note 8. Lease Commitments

The Organization is committed to leasing the Caesars Superdome (the Superdome) for its annual football game pursuant to an amended lease which dates back to December 24, 1975. The amended lease, currently in its fourth ten-year renewal term extending through 2026, stipulates a minimum annual rent of \$40,000, plus an additional 5% of the gross football ticket sales in excess of \$700,000, subject to a maximum rental cap of \$200,000. However, the Organization and Superdome management agreed to new lease terms that stipulate annual rents of \$100,000 for the 2019, 2020, 2022, 2023, 2025, and 2026 games (SEC vs Big 12). Rent was and will remain capped at \$200,000 for the 2021 and 2024 games, respectively (College Football Playoff Semifinals). In the fall of 2022, the College Football Playoff (CFP) and the Sugar Bowl agreed that the 2025 and 2026 games would be Playoff Quarterfinal games. The potential impact this change could have on rent is unknown at this time.

For the years ended June 30, 2024 and 2023, the Organization's rental expense for the College Football Playoff Semifinal and annual Sugar Bowl Classic totaled \$200,000 and \$100,000, respectively.

During the year ended June 30, 2023 the Organization entered into a short-term lease agreement with the Superdome for a rental space for its Kickoff game. The Organization's rental expense for the Kickoff game totaled \$100,000 for the year ended June 30, 2023.

The Organization's office space is contributed to it by the Superdome on a year-to-year basis. As detailed in Note 2, the Organization recognized an in-kind contribution of its rental expense in the amount of \$98,587 for both of the years ended June 30, 2024 and 2023.

SUGAR BOWL

Notes to Financial Statements

Note 9. Commitments and Contingencies

The Organization has an employment agreement with its Chief Executive Officer which extends through June 30, 2027. Associated with the employment contract is an obligation to contribute 15% of compensation to a simplified employee pension plan.

During the year ended June 30, 2014, the Organization entered into a contract with the Southeastern Conference and the Big Twelve Conference (the two together referred to as the Conferences) that would bring a team from each of the respective Conferences to the Organization for playing in the annual Sugar Bowl post-season football game during the period from 2015 through 2026 (i.e., following the 2014 through 2025 college football regular seasons). During the year ended June 30, 2023, the contract was amended, whereby the 2025 and 2026 SEC vs Big 12 games were replaced with CFP Playoff Quarterfinal games. To date, the financial commitment has not changed.

Under this contract, the Organization is expecting to pay a rights fee, in total, for each game played as follows:

Year Ending June 30,	Amount
2025	\$ 11,500,000
2026	<u>11,500,000</u>
Total	<u><u>\$ 23,000,000</u></u>

The rights fee for the years ended 2024 and 2023 games were \$-0- and \$11,000,000, respectively.

The Organization also had a contract allowing the Organization to host the CFP National Semifinal Game in 2024. This contract superseded the above-mentioned contract for those years in which the Organization hosted a National Semifinal Game. This contract committed the Organization to paying a rights fee equal to 85% of its net income from the National Semifinal Game as defined in the contract.

SUGAR BOWL

Notes to Financial Statements

Note 9. Commitments and Contingencies (Continued)

The Organization has entered into several agreements to serve as a title sponsor of other events. The Organization is committed to paying the following over the course of the contracts:

Year Ending June 30,	Amount
2025	\$ 471,000
2026	237,500
2027	100,000
2028	100,000
2029	-
Total Commitment	\$ 908,500

Note 10. Simplified Employee Pension Plan

As mentioned in Note 9, the Organization is committed to a simplified employee pension plan for all full-time, non-contractual employees of the Organization with a minimum of one year of service. The annual contribution shall be equal to 15% of each eligible employee's annual wages. The contributions for the years ended June 30, 2024 and 2023 were \$227,805 and \$185,786, respectively.

Note 11. Related-Party Transactions

Members of the Organization are involved with companies supplying goods and services to the Organization. In such instances where "related parties" conduct business with the Organization, due care is taken and documented to assure that the services and/or goods are purchased at normal competitive rates. The total dollar amounts of the transactions are immaterial to the financial statements taken as a whole.

SUGAR BOWL

Notes to Financial Statements

Note 12. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2024	2023
Cash and Cash Equivalents	\$ 6,123,728	\$ 2,594,704
Accounts Receivable	189,934	122,799
Investments	78,502,859	66,360,580
Total	\$ 84,816,521	\$ 69,078,083

As part of its liquidity management, Sugar Bowl invests cash in excess of daily requirements in an interest-bearing sweep account.

Note 13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 5, 2024 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUGAR BOWL
Revenue, Gains, and Other Support
For the Years Ended June 30, 2024 and 2023

Schedule I

	2024	2023
Revenue Under Contracts		
Ticket Sales - Football	\$ 15,038,586	\$ 24,514,779
Ticket Sales - Concert	993,785	-
Secondary Sponsorships - Football	4,509,526	4,686,179
Secondary Sponsorships - Concert	1,464,139	-
State Funding	1,000,000	650,000
Concessions	453,515	644,179
Program Revenue	127,500	127,500
Merchandise Royalties - Football	12,401	54,258
Merchandise Royalties - Concert	24,562	-
Hotel Commission	-	50,229
Heritage Festival	-	17,376
Total Revenue Under Contracts	23,624,014	30,744,500
Net Investment Return	10,006,123	5,220,530
Contribution of Nonfinancial Assets	98,587	98,587
Other Revenue		
Miscellaneous	63,596	91,288
Contributions Without Donor Restrictions	9,981	-
Total Other Revenue	73,577	91,288
Total Revenue, Gains, and Other Support	\$ 33,802,301	\$ 36,154,905

See independent auditor's report.

SUGAR BOWL
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2024

Schedule II

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head Name: Jeff Hundley, Chief Executive Officer of Sugar Bowl

Purpose	Amount
Salary	\$0
Benefits-Insurance	\$0
Benefits-Retirement	\$0
Car Allowance	\$0
Cell Phone	\$0
Dues and Registration Fees	\$0
Reimbursements	\$0
Travel - Conference	\$0
Special Meals	\$0
Other	\$0

See independent auditor's report.

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 Executive Committee
Sugar Bowl

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 (*Government Auditing Standards*), the financial statements of Sugar Bowl (the Organization) which comprise the statement of financial position as of June 30, 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 September 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
September 5, 2024

SUGAR BOWL
Schedule of Findings and Responses
For the Year Ended June 30, 2024

Part I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued on Whether the Financial Statements Audited were Prepared in Accordance with GAAP: Unmodified

Internal Control Over Financial Reporting:

- Material Weakness(es) Identified? No
- Significant Deficiency(ies) Identified? None Reported

Noncompliance Material to Financial Statements Noted? No

Federal Awards

Not applicable

Part II - Findings Related to the Financial Statements

None

SUGAR BOWL
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

The prior year audit disclosed no significant findings, and no significant uncorrected or unresolved findings exist from prior audit.

AGREED-UPON PROCEDURES REPORT
Sugar Bowl

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2024

To Finance Committee
Sugar Bowl
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the Sugar Bowl's control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Sugar Bowl's management is responsible for those C/C areas identified in the SAUPs.

Sugar Bowl 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 July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with 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 rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense 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, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the 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 found as a result of 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.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- 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.
- 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: No exceptions were found as a result of these procedures.

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

Results: No exceptions were found as a result of 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).

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits, and:
- i. Observe that receipts are sequentially pre-numbered;
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip;
 - iii. Trace the deposit slip total to the actual deposit per the bank statement;
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer); and
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #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 whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- 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 found as a result of these procedures.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Not applicable.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable.

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. *Alternatively, 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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), 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, the documented approval); and
 - 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: No exceptions were found as a result of these procedures.

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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether 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; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- 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.

Not applicable.

10) Ethics

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

Not applicable.

11) Debt Service

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

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

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.
- 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 found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by Sugar Bowl 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 Sugar Bowl 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
December 17, 2024