GREATER NEW ORLEANS
SPORTS FOUNDATION

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2021

Sean M. Bruno
Certified Public Accountants, LLC

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Sean M. Bruno
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Member
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the **Greater New Orleans Sports Foundation (the Foundation)**, (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Auditor's Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Foundation** as of June 30, 2021, 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.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other payments on page 23 is presented for purposes of additional analysis and is not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

<u>INDEPENDENT AUDITOR'S REPORT</u>
(CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 15, 2021 on my consideration of **the Foundation's** internal control over financial reporting and on my 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 my 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 Foundation'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 Foundation's** internal control over financial reporting and compliance.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

December 15, 2021

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2021

ASSETS

Cash and cash equivalents (NOTES 2, 5, 6 and 10)	$	1,146,024
Investments (NOTE 6)		2,363,074
Receivables (NOTES 6 and 10))		358,009
Due from affiliate (NOTE 7)		2,637
Prepaid expense		36,498
Office furniture and equipment, net of accumulated depreciation of $239,227 (NOTES 2 and 3)		9,993
Total assets	$	3,916,235

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable (NOTE 6)	$	9,898
Deferred revenue		28,100
Other liabilities		363
Loans payable (NOTES 12 and 13)		221,438
Total liabilities		259,799
Net Assets (NOTE 2):		
Without Donor Restrictions		3,656,436
With Donor Restrictions		-
Total net assets		3,656,436
Total liabilities and net assets	$	3,916,235

The accompanying notes are an integral part of these financial statements

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contracts (NOTE 8)	$ 1,337,277	$ -	$ 1,337,277
Membership revenue	189,730	-	189,730
PPC loan forgiveness	212,710	-	212,710
Management fee revenue	320,000	-	320,000
Event revenue	263,779	-	263,779
Sponsorships and donations revenue	25,000	-	25,000
Interest income	3,167	-	3,167
Unrealized gains	8,761	-	8,761
Other	712	-	712
Total revenue and support	2,361,136	-	2,361,136
Expenses:			
Program services	1,773,755	-	1,773,755
Support services	435,987	-	435,987
Total expenses	2,209,742	-	2,209,742
Changes in net assets	151,394	-	151,394
Net Assets:			
Beginning of the year	3,505,042	-	3,505,042
End of year	$ 3,656,436	$ -	$ 3,656,436

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

GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Support Services	Total Expenses
Salaries and related benefits	$ 1,192,923	$ 298,231	$ 1,491,154
Insurance	-	37,936	37,936
Depreciation	-	779	779
Rent	48,199	12,050	60,249
Repair and maintenance contracts	-	6,458	6,458
Supplies	-	4,532	4,532
Computer	-	4,782	4,782
Telephone	-	17,691	17,691
Postage	-	2,902	2,902
Ground transportation	114	-	114
WWE expenses	555	-	555
Internet services	-	4,313	4,313
Bank fees	-	9,022	9,022
Miscellaneous	-	5,935	5,935
Printing	-	1,365	1,365
Professional services	87,010	-	87,010
Media and promotion	100,954	-	100,954
Conference and meeting	-	2,013	2,013
Travel	-	2,004	2,004
Dues/Subscriptions	-	7,101	7,101
Office utilities	65,700	16,425	82,125
Donations	-	2,448	2,448
Volunteer expenses	6,500	-	6,500
Sporting event expenses	271,800	-	271,800
Total functional expenses	$ 1,773,755	$ 435,987	$ 2,209,742

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

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows From Operating Activities		
Change in net assets	$	151,394
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		779
PPC loan forgivness		(212,710)
Gain on investment		(8,761)
Increase in receivables		(16,870)
Increase in due from affiliate		(459)
Increase in prepaid expenses		(13,643)
Decrease in accounts payable		(122,567)
Decrease in accrued liabilities		(8,045)
Increase in deferred revenue		28,100
Decrease in other liabilities		(29)
Net cash used by operating activities		(202,811)
Cash Flows From FinancingActivities		
Repayment of loans		(150,000)
Proceeds from loans		221,438
Net cash provided by financing activities		71,438
Net decrease in cash and cash equivalents		(131,373)
Cash and cash equivalents - July 1, 2020		1,277,397
Cash and cash equivalents - June 30, 2021	$	1,146,024

The accompanying notes are an integral part of these financial statements

NOTE 1 - ORGANIZATION:

The **Greater New Orleans Sports Foundation (the Foundation)** was formed on August 2, 1988 as a non-profit organization to bring together by association, sports minded people who will devote a portion of their time, energy and financial support to the development of sport tourism and related industries in the City of New Orleans and surrounding regions. Also, **the Foundation** was organized to provide for the exchange among members of the organization such information, ideas and support necessary to attract and assist in the coordination and production of sports events in the New Orleans area. As a result of a management decision, the Board of Directors passed a resolution on January 9, 2015 to change **the Foundation's** year end from December 31 to June 30.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Basis Presentation

For the year ended June 30, 2021, **the Foundation** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis Presentation, Continued

statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 31, 2017 and requires the use of the retrospective transition method. **The Foundation** adopted this standard for the year ended June 30, 2021 and its implementation is reflected in the financial statements.

A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of Net Assets Without Donor Restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

At June 30, 2021, **the Foundation** did not have any Net Assets With Donor Restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis Presentation, Continued

Contributions

The Foundation accounts for contributions in accordance with FASB ASC Section 958-605, *Not-for-Profit Entities*, *Revenue Recognition*, accounting for contributions received and contributions made. In accordance with FASB ASC Section 958-605, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenues are recognized. All other donor-restricted contributions 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 and represented in the Statement of Activities as net assets released from restrictions.

Fixed Assets

The Foundation capitalizes all fixed asset purchases with a unit cost greater than $5,000 and a useful life greater than one year. Fixed assets are stated at cost if purchased, or at fair market value at the date of the gift, if donated. Depreciation on office furniture and equipment is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Cash and Cash Equivalents

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

Fair Value

The Foundation adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **the Foundation** to maximize the use of observable market inputs, minimize the use of unobservable market inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

NOTE 3 - FIXED ASSETS:

Changes in office furniture and equipment and leasehold improvements during the year ended June 30, 2021 were as follows:

Description	Balance June 30, 2020	Additions (Deletions)	Accumulated Depreciation/ Amortization	Balance June 30, 2021
Office furniture and equipment	$ 237,539	$ -0-	$(237,539)	$ -0-
Leasehold Improvements	11,680	1	(1,688)	9,993
Total	$ 249,219	$ 1	$(239,227)	$ 9,993

Amortization expense for the year ended June 30, 2021 totaled $779.

NOTE 4 - INCOME TAXES:

The Foundation is exempt from corporate income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **the Foundation's** tax status be challenged in the future, the 2018, 2019, and 2020 tax years are open for examination by the IRS.

NOTE 5 - CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject **the Foundation** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At June 30, 2021, **the Foundation** had cash and cash equivalents in the bank totaling $1,185,866.

The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. As of June 30, 2021, **the Foundation's** uninsured cash balances totaled $935,866.

NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820 fair value is defined as the price that **the Foundation** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability.

ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

NOTE 6 - FAIR VALUE MEASUREMENTS OF <u>FINANCIAL ASSETS AND LIABILITIES</u>, CONTINUED:

Various inputs are used in determining the value of **the Foundation's** assets or liabilities. The inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **The Foundation's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

NOTE 6 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES, CONTINUED:

The following table summarizes the valuation of **the Foundation's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of June 30, 2021 are as follows:

	Carry Value	Fair Value
Cash and cash equivalents	$ 1,146,024	$1,146,024
Investments	$ 2,363,074	$2,363,074
Receivables	$ 358,009	$ 358,009
Accounts payable	$ 9,898	$ 9,898
Deferred revenue	$ 28,100	$ 28,100

NOTE 7 - RELATED PARTY TRANSACTION / MANAGEMENT FEES DUE TO / DUE FROM AFFILIATE / NON-MONETARY TRANSACTIONS:

New Orleans Bowl / Non-Monetary Transactions

Certain board members of **the Foundation** are also board members of the New Orleans Bowl, Inc. **The Foundation** has contracted with the New Orleans Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the New Orleans Bowl. **The Foundation** provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. **The Foundation** is also due certain expense reimbursements from the New Orleans Bowl in conjunction with game management. The amount due from the New Orleans Bowl at June 30, 2021 totaled $2,637.

NOTE 8 - GRANTS AND CONTRACTS:

The Foundation is the recipient of grants and contracts from various sources in the amount of $1,337,277. The grants and contracts were primarily utilized to support the activities of the **Greater New Orleans Sports Foundation**.

The Foundation was primarily funded through the following grants and contracts for the year ended June 30, 2021.

Funding Source	Revenue
Contract revenues:	
Department of the Treasury –	
New Orleans Fairgrounds Slots Tax	$ 850,277
State of Louisiana	400,000
Total contract revenues	1,250,277
Grants:	
The Joe W. & Dorothy Dorsett Building	
Operational Cost	87,000
Total Grants and Contracts	$ 1,337,277

NOTE 9 - COMMITMENTS AND CONTINGENCIES:

Grants and Contracts

The Foundation is the recipient of grant and contracts from various sources. The grants are governed by various guidelines, and regulations. The administration of the programs and activities funded by the grants and contracts are under the control and administration of **the Foundation** and are subject to audit and/or review by the applicable funding sources. Any funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

NOTE 9 - COMMITMENTS AND CONTINGENCIES, CONTINUED:

Operating Lease

The Foundation leases office space under the terms of an operating lease. The terms of the lease was one year beginning July 18, 2016 and ended on July 17, 2017. The lease was amended in 2017 and amended again on May 13, 2021. This extended the lease term until December 31, 2025. Future minimum lease payments under the terms of the operating lease as of June 30, 2021 were:

2022	$ 60,249
2023	60,249
2024	60,249
2025	60,249
2026	30,125
Total	$271,121

The office space rent expense totaled $60,249 for the year ended June 30, 2021.

NOTE 10 - 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:

Cash and cash equivalents	$1,146,024
Receivables	358,009
	$1,504,033

Management has a goal to maintain sufficient financial resources on hand to meet sixty (60) days of normal operating expenses.

NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS:

In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers*, (Topic 606) which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. This standard is effective for fiscal years beginning after December 31, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. **The Foundation** does not believe that ASU 2014-09 will have a significant effect on its financial statements and related disclosures.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU amendments include changes related to how certain equity investments are measured, how changes are recognized in the fair value of certain financial liabilities measured under the fair value option, and how financial assets and liabilities are disclosed and presented on **the Foundation's** financial statements. Additionally, the ASU will also require entities to present financial assets and financial liabilities separately, grouped by measurement category and form of financial asset in the statement of financial position or in the accompanying notes to the financial statements. Entities will also no longer have to disclose the methods and significant assumptions for financial instruments measured at amortized cost, but will be required to measure such instruments under the "exit price" notion for disclosure purposes.

The ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted only as of annual reporting periods beginning after December 15, 2017. **The Foundation** has implemented the ASU 2016-01 and has adjusted the presentation of the financial statements accordingly.

In February 2016, the FASB issued ASU no. 2016-02, *Leases* which requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. For public business entities, certain not-for-profit entities, and certain employee benefit plans, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. **The Foundation** is currently assessing the impact on these pronouncements on its financial statements.

NOTE 11 - <u>NEW ACCOUNTING PRONOUCEMENTS,</u> CONTINUED:

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credits Losses (Topic 326), Derivative and Hedging (Topic 815) and Leases (Topic 842) which amended ASU 2016-02.* This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2020 with early adoption permitted. In June 2020, the FASB issued ASU 2020-05, which amends the effective date of the standards on Topic 842 to give immediate relief to certain entities as a result of the widespread adverse economic effects and business disruptions caused by the coronavirus disease 2019 (COVID-19) pandemic. The Board deferred the effective date of Topic 842 for private companies, private-not-for-profit entities, and public non-for-profit entities. The deferral only applies if those entities have not yet issued their financial statements (or made their financial statements available for issuance) as of June 3, 2020. **The Foundation** expects to adopt ASU 2020-05 for fiscal years beginning after December 15, 2021 but does not believe that this standard will have a material impact or its financial statements or disclosures.

In August 2016, the FASB issued Accounting Standards Update (ASU) ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which significantly changes the presentation requirements for financial statements of not-for-profit entities. The amendments are intended to improve the guidance on net asset classification as well as the information presented in the financial statements and notes regarding liquidity, financial performance and cash flows for not-for-profit entities. Specifically, the ASU: 1) reduces complexity and improves understandability of net asset classifications, 2) improves transparency and utility of information regarding an entity's liquidity, 3) improves consistency in the type of information provided about expenses, and 4) improves consistency in the reporting of operating cash flows in the statement of cash flows. The ASU is effective for annual periods beginning after December 15, 2017. **The Foundation** has implemented ASU 2016-14 and has adjusted the presentation of the financial statements accordingly.

NOTE 11 - NEW ACCOUNTING PRONOUCEMENTS, CONTINUED:

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments in this Update are effective for nonpublic entities for annual periods beginning after December 15, 2018, with early adoption permitted. **The Foundation** does not expect the new guidance to have a material impact on **the Foundation's** financial statements.

NOTE 12 - LOANS PAYABLE

A summary of loans payable at June 30, 2021 are as follows:

Note payable to a bank bearing interest at a rate of 1.0%. Monthly principal and interest payments are subject to and determined by the Payroll Protection Program (PPP) Rules. This loan is administered by the Small Business Administration. Prior to issuance of this report, this loan has been forgiven. See NOTE 13.	$221,438

NOTE 13 - <u>SUBSEQUENT EVENTS:</u>

FASB Accounting Standards Codifications Topic 855-10, "Subsequent Events" requires the disclosure of the date through which **the Foundation** has evaluated subsequent events and the reason for selecting that date. **The Foundation** evaluated subsequent events from July 1, 2021 to December 15, 2021, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. Although it is unknown how long these conditions will last and what the complete financial consequences will be, to date, the Organization has not experienced an adverse financial impact due to the coronavirus outbreak. However, it is likely that the financial statements will be affected by declining revenue in the 2020-21 fiscal year.

On March 27, 2020, President Donald J. Trump signed the Coronavirus Aid, Relief and Economic Security (the "CARES ACT"), which, among other things, outlines the provisions of the Paycheck Protection Program (the "PPP"). **The Foundation** determined that it met the criteria to be eligible to obtain a loan under the PPP because, among other reasons, in light of COVID-19 outbreak and the uncertainty of economic conditions related thereto, the loan was necessary to support **the Foundation's** ongoing operations. Under the PPP, **the Foundation** could obtain a U. S. Small Business Administration loan in an amount equal to the average of **the Foundation's** monthly payroll costs (as defined under the PPP) for calendar year 2019 multiplied by 2.5 (approximately 10 weeks of payroll costs). Section 1106 of the CARES ACT contained provisions for the forgiveness of all or a portion of a PPP loan, subject to the satisfaction of certain requirements. The amount eligible for forgiveness is, subject to certain limitations the sum of **the Foundation's** payroll costs, rent, utilities paid **the Foundation** during the eight-week period beginning on the funding date of the PPP loan. **The Foundation** used the entire loan amount for qualified expenses.

NOTE 13 - SUBSEQUENT EVENTS, CONTINUED:

On January 20, 2021, **the Foundation** received approval for a PPP loan in the amount of $221,438, which was transferred by **the Foundation** into an account dedicated to allowable uses of the PPP loan proceeds.

On August 2, 2021, **the Foundation** received notification that the Small Business Association fully approved **the Foundation's** request for loan forgiveness of the PPP loan totaling $221,438. The PPP loan has been paid off and no further action is required from **the Foundation**.

SUPPLEMENTAL INFORMATION

GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER (STATEMENT C)
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head Name/Title: Jay Cicero, President / CEO

PURPOSE	AMOUNT
Salary	$ 370,000
Benefits-health insurance	38,496
Benefits-retirement	11,600
Benefits-cell phone	-
Benefits-disability insurance	5,034
Car allowance	9,000
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	115
Other (Gas and vehicle maintenance)	5

Act 706 of the 2014 Legislative Session requires the disclosure of the total compensation, reimbursement, benefits, and other payments made to the agency head, political subdivision head or Chief executive officer, related to the position; including but not limited to travel housing, unvouchered expenses (such as travel advances) per diem, and registration fees.

See Accompanying Independent Auditor's Report

Sean M. Bruno
Certified Public Accountants, LLC

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American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

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

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Greater New Orleans Sports Foundation (the Foundation)** (a non-profit organization) which comprise the statement of financial position as of June 30, 2021, 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 my report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the Foundation's** internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Foundation's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the Foundation's** internal control.

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Internal Control Over Financial Reporting, Continued

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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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*

(CONTINUED)

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sean M. Bruno

SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

December 15, 2021

GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021

SECTION 1 SUMMARY OF INDEPENDENT AUDITORS' REPORT

1. The independent auditors' report expresses an unmodified opinion on the financial statements of **the Foundation.**

2. No significant deficiencies in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements of **the Foundation** were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

4. No management letter was issued for the year ended June 30, 2021.

SECTION II FINANCIAL STATEMENT FINDINGS

None

GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None Noted.