

INDEPENDENCE BOWL FOUNDATION, INC.

(Audited Financial Statements and Related Notes)

SHREVEPORT, LOUISIANA

FEBRUARY 28, 2019 AND FEBRUARY 28, 2018

**MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA**

INDEPENDENCE BOWL FOUNDATION , INC.

Table of Contents

February 28, 2019 and February 28, 2018

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7-17
SUPPLEMENTARY INFORMATION	
Schedule of Comensation, Reimbursements, Benefits, and Other Payments to Agency Head	18
OTHER REPORTS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19-20
SCHEDULE OF FINDINGS	21
SCHEDULE OF PRIOR YEAR FINDINGS	22



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Independence Bowl Foundation, Inc.
Shreveport, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Independence Bowl Foundation, Inc., which comprise the statement of financial position as of February 28, 2019 and February 28, 2018 and the related statements of activities, functional expenses, and cash flows for the years 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.

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.

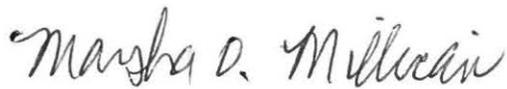
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Independence Bowl Foundation, Inc. as of February 28, 2019 and February 28, 2018, and the changes in its net assets and cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 12, 2019 on my consideration of the Independence Bowl Foundation, Inc.'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 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 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 Independence Bowl Foundation, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Maryb D. Milligan".

Certified Public Accountant
July 12, 2019

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Financial Position

February 28, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 724,321	\$ 439,735
Certificates of deposit	45,797	45,741
Accounts receivable	366,393	546,345
Prepaid expenses	65,791	88,649
Total Current Assets	<u>1,202,302</u>	<u>1,120,470</u>
Fixed assets:		
Leasehold improvements/renovations	1,684,059	1,684,059
Less accumulated depreciation	<u>(673,624)</u>	<u>(505,218)</u>
Net fixed assets	1,010,435	1,178,841
Deposits	<u>7,015</u>	<u>7,015</u>
Total Assets	<u><u>2,219,752</u></u>	<u><u>\$2,306,326</u></u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Due to participating teams	1,312,964	\$ 1,305,892
Accounts payable	147,911	174,776
Line of credit payable	688,446	900,000
Accrued interest payable	3,883	4,467
Payroll withholding payable	-	3,745
Current portion of long-term debt	<u>163,666</u>	<u>156,216</u>
Total Current Liabilities	2,316,870	2,545,096
Long-term liabilities:		
Notes payable, less current portion	<u>909,671</u>	<u>1,076,107</u>
Total long-term liabilities	909,671	1,076,107
Total liabilities	3,226,541	3,621,203
Unrestricted net assets:		
Unrestricted	<u>(1,006,789)</u>	<u>(1,314,877)</u>
Total unrestricted net assets	<u>(1,006,789)</u>	<u>(1,314,877)</u>
Total liabilities and unrestricted net assets	<u><u>\$2,219,752</u></u>	<u><u>\$2,306,326</u></u>

The accompanying notes are an integral part of these statements.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended February 28, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Support:			
Contributions	\$ -	\$ 996,350	\$ 996,350
Grants - state and local governments	-	360,000	360,000
Total Support	-	1,356,350	1,356,350
Revenues:			
Program Service Fees	1,807,803	-	1,807,803
Hotel Occupancy Tax	-	662,765	662,765
Memberships	-	44,800	44,800
Settlement Trust Recovery	211,554	-	211,554
Miscellaneous	2,814	-	2,814
Total Revenues	2,022,171	707,565	2,732,550
Total Support and Revenue	2,022,171	2,063,915	4,086,086
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	2,063,915	(2,063,915)	-
Total Support and Revenues	4,086,086	-	4,086,086
Expenses:			
Program Expenses	3,400,262	-	3,400,262
Management and General	377,736	-	377,736
Total Expenses	3,777,998	-	3,777,998
Change in Net Assets	308,088	-	308,088
Net assets, beginning of year	(1,314,877)	-	(1,314,877)
Net assets, end of year	\$ (1,006,789)	\$ -	\$ (1,006,789)

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statements of Activities and Changes in Net Assets

For the Year Ended February 28, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Support:			
Contributions	\$ -	\$ 772,620	\$ 772,620
Grants - state and local governments	-	335,000	335,000
Total support	-	1,107,620	1,107,620
Revenues:			
Program Service Fees	1,820,123	-	1,820,123
Hotel Occupancy Tax	-	625,345	625,345
Memberships	-	38,500	38,500
Settlement Trust Recovery	-	-	-
Miscellaneous	4,339	-	4,339
Total revenue	1,824,462	663,845	2,488,307
Total support and revenue	1,824,462	1,771,465	3,595,927
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	1,771,465	(1,771,465)	-
Total Support and Revenues	3,595,927	-	3,595,927
Expenses:			
Program Expenses	3,332,208	-	3,332,208
Management and General	337,915	-	337,915
Total Expenses	3,670,123	-	3,670,123
Change in Net Assets	(74,196)	-	(74,196)
Net assets, beginning of year	(1,240,681)	-	(1,240,681)
Net assets, end of year	\$ (1,314,877)	\$ -	\$ (1,314,877)

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Functional Expenses

For the Year Ended February 28, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Independence Bowl:			
Distributions to Teams	\$ 2,000,000	\$ -	\$ 2,000,000
Personnel	313,782	78,445	392,227
Occupancy	-	87,969	87,969
Professional Services	107,197	12,500	119,697
Printing	14,485	-	14,485
Travel	14,148	19,363	33,511
Bowl Related Expenses	265,209	-	265,209
Game Day Expense	173,124	-	173,124
Depreciation	168,406	-	168,406
Interest	-	98,099	98,099
Other	343,911	81,360	425,271
	<u>\$ 3,400,262</u>	<u>\$ 377,736</u>	<u>\$ 3,777,998</u>

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Functional Expenses

For the Year Ended February 28, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Independence Bowl:			
Distributions to Teams	\$ 2,000,000	\$ -	\$ 2,000,000
Personnel	316,975	70,247	387,222
Occupancy	-	86,814	86,814
Professional Services	55,082	11,000	66,082
Printing	22,539	-	22,539
Travel	3,666	14,131	17,797
Bowl Related Expenses	242,199	-	242,199
Game Day Expense	175,592	-	175,592
Depreciation	168,406	-	168,406
Interest	-	102,029	102,029
Other	347,749	53,694	401,443
	<u>\$ 3,332,208</u>	<u>\$ 337,915</u>	<u>\$ 3,670,123</u>

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Cash Flows

For the Year Ended February 28, 2019

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$308,088	\$ (74,196)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	168,406	168,406
Bad debt expense	-	3,588
Prior period adjustment	-	-
<i>(Increase)decrease in assets:</i>		
Accounts receivable	179,952	(463,610)
Prepaid expenses	22,858	(53,625)
<i>(Increase)decrease in liabilities:</i>		
Due to participating teams	7,072	(470,904)
Accounts payable	(26,865)	63,873
Accrued expenses	(4,326)	(1,055)
Total adjustments	347,097	(753,327)
Net cash provided (used) by operating activities	655,185	(827,523)
Cash flows from investing activities:		
Purchases of fixed assets	-	-
Reinvestment of interest on certificates of deposit	(60)	(58)
Net cash provided (used) by investing activities	(60)	(58)
Cash flows from financing activities:		
Draws on line of credit	-	481,000
Principal payments on line of credit	(211,554)	(37,000)
Payment of principal on long-term debt	(158,985)	(151,642)
Net cash provided (used) by financing activities	(370,539)	292,358
Net increase (decrease) in cash and cash equivalents	284,586	(535,223)
Cash and cash equivalents - beginning of year:	439,735	974,958
Cash and cash equivalents - end of year	724,321	439,735
Supplementary cash flow information:		
Cash paid during the year for interest	\$ 98,681	\$ 103,113

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Notes to Financial Statements

February 28, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

The Independence Bowl Foundation, Inc. (the "Foundation") is a tax-exempt and non-profit organization established for the purpose of advertising and promoting amateur sports and sports related events in the Shreveport- Bossier area. The Foundation consists of a full-time staff and committee members that carry out all of the activities related to the Foundation's function. The Foundation is also the sponsoring organization for the Independence Bowl post-season football game, which is promoted and served through the Foundation's staff and volunteer membership. The Independence Bowl Foundation, Inc., is organized as a nonprofit organization exempt from federal income taxation under Code Section 501 (c) (3) of the Internal Revenue Code.

B. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

C. Basis of Presentation:

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and board of directors.

Net assets with donor restrictions: These assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, these net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

D. Measure of Operations:

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

E. Cash and Cash Equivalents:

For the purpose of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At February 28, 2019 the carrying amount of the Foundation's deposits were \$770,118 while the bank balances were \$794,289. Deposits of \$629,163 were secured by FDIC insurance; deposits of \$165,126 were unsecured and subject to risk. At February 28, 2018, deposits of \$77,606 were unsecured.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to ten years.

G. Contributions:

All contributions received are considered available for use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as donor restricted support that increases net assets with donor restrictions.. When a donor restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

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

I. Functional expenses:

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Distributions to teams	Full Time Equivalent
Personnel	Time and Effort
Occupancy	Time and Effort
Professional Services	Time and Effort
Printing	Time and Effort
Travel	Time and Effort
Bowl Related Expenses	Full Time Equivalent
Game Day Expense	Full Time Equivalent
Depreciation	Full Time Equivalent
Interest	Full Time Equivalent
Other	Full Time Equivalent

J. New Accounting Pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The Foundation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

K. Advertising Costs:

Advertising costs are expenses as incurred and are included in program expenses on the statement of activities. Advertising expenses amount to \$195,253 for the year ended February 28, 2019 and \$193,158 for the year ended February 28, 2018.

L. Donated Materials and Services:

Donated Materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services, inasmuch as no objective basis is available to measure the value of such services; and the donated services do not create a nonfinancial asset.

2. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at February 28,

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and equivalents	<u>\$ 724,321</u>	<u>\$ 439,735</u>
Total financial assets	\$ 724,321	\$ 439,735
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	
Less net assets with purpose restriction to be met in less than a year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 724,321</u>	<u>\$ 439,735</u>

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in interest-bearing accounts.

3. Certificates of Deposit

Certificates of deposits at February 28, 2019 and February 28, 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Regions Bank	\$ 22,806	\$ 22,794
JP Morgan Chase Bank	11,108	11,111
Origin Bank	11,883	11,836
Total Certificates of Deposit	<u>\$ 45,797</u>	<u>\$ 45,741</u>

4. Accounts Receivable

Accounts receivable at February 28, 2019 and February 28, 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Corporate sponsors/advertisers	\$ 317,608	\$502,011
Accrued hotel occupancy tax	50,965	50,984
Total receivables	<u>368,573</u>	<u>552,995</u>
Less: allowance for doubtful accounts	<u>(2,180)</u>	<u>(6,650)</u>
Accounts receivable, net	<u>\$366,393</u>	<u>\$546,345</u>

5. Cooperative Endeavor Agreement

As of August 14, 2018, the Foundation executed a cooperative endeavor agreement with the City of Shreveport, Louisiana outlining the scope of services and responsibilities of each party. The main focus of this agreement is the production of the Independence Bowl, along with any activities and events associated with the game. The term of this agreement is from inception and terminated December 31, 2022. The agreement provided the Foundation will be paid the sum of \$140,000 per year for the activities described above, and receives use of public facilities of the City of Shreveport, (including Independence Stadium) at no charge. As the fair market value of the contribution from the City of Shreveport cannot be determined, no income and related expense associated with this cooperative endeavor agreement is recorded in the records of the Foundation. In the event the Foundation fails to produce a game in any year of the contract, the funds will be returned to the City of Shreveport. The Foundation is allowed, under the agreement, to improve the stadium's facilities, and subsequent to the repayment of all debt associated with the renovations, the improvements become the property of the City of Shreveport.

6. FIXED ASSETS:

Fixed assets at February 28, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Scoreboard	\$ 1,684,059	1,684,059
Less Accumulated Depreciation	<u>(673,624)</u>	<u>(505,218)</u>
Net Fixed Assets	<u>\$ 1,010,435</u>	<u>\$ 1,178,841</u>

7. NET ASSETS

Net assets with donor restrictions were as follows for the year ended February 28, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Specific Purpose	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>

Net assets without donor restriction for the year ended February 28, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Undesignated	<u>\$(1,006,789)</u>	<u>\$ (1,314,877)</u>
Total	<u>\$(1,006,789)</u>	<u>\$ (1,314,877)</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions		
Independence Bowl and Related Events	<u>\$ 2,063,915</u>	<u>\$ 1,771,465</u>
Total	<u>\$ 2,063,915</u>	<u>\$ 1,771,465</u>

8. Title Sponsorship

On September 17, 2017, the Foundation entered into an "Entitlement Sponsorship Agreement" with Walk-On's Enterprises whereby Walk-On's Enterprises obtained the title sponsorship rights to the Independence Bowl, and the Foundation received certain financial commitments as more fully described in the agreement. The agreement terms include the 2017-2022 presentations of the Independence Bowl, and are deemed to commence on the date of the agreement. The agreement contains an "Opt Out" clause for years four and five which may be elected by either party.

9. Participating Team Distribution Agreements

For the year ended February 28, 2019, the Foundation's agreement with the Atlantic Coast Conference (ACC) and the American Athletic Conference (AAC) whereby the Foundation has agreed to pay the participant from the ACC \$1,200,000 and the participant from the AAC \$800,000. As part of the agreement, the participating university from the ACC was required to purchase a minimum of 6,000 tickets and the participating university from the AAC was required to purchase a minimum of 10,000 tickets to the game. Also, the Foundation was able to deduct from the fair market value of the ticket requirements from the gross distribution to the participating universities, even if the tickets were unsold.

The following is a recap of the distributions and payables to the participating teams:

2018 Independence Bowl:

	<u>Duke University</u>	<u>Temple University</u>	<u>Totals</u>
Calculated gross team payout	\$1,200,000	\$ 800,000	\$2,000,000
Less: Value of game tickets allocated to and retained by participating institutions and other items	<u>(291,900)</u>	<u>(449,400)</u>	<u>(741,300)</u>
Balance due participating teams	<u>\$ 908,100</u>	<u>\$ 350,600</u>	<u>\$1,258,700</u>

2017 Independence Bowl:

	<u>Florida State</u>	<u>Southern Miss Golden Eagles</u>	<u>Totals</u>
Calculated gross team payout	\$1,200,000	\$ 800,000	\$2,000,000
Less: Value of game tickets allocated to and retained by participating institutions and other items	<u>(291,900)</u>	<u>(451,195)</u>	<u>(743,095)</u>
Balance due participating teams	<u>\$1,089,501</u>	<u>\$ 348,805</u>	<u>\$1,256,905</u>

As of February 28, 2019, the minimum payout distribution obligations (by contract) to the participating teams are as follows:

<u>2019</u>	<u>2018</u>
<u>\$ 1,312,964</u>	<u>\$ 1,305,892</u>

Due to participating teams include \$54,264 for the 2018 Bowl.

10. Related Party Transactions

Members of the Foundation are involved through ownership/association with companies supplying goods and services to the Foundation. In such instances where these related parties conduct business with the Foundation, due care is taken to assure that the goods and/or services are bid for or purchased from these related parties at normal competitive prices/rates. The amounts of such transactions are considered immaterial to the financial statements taken as a whole.

11. Line of Credit Payable

The Bowl has a line of credit at a bank bearing variable interest based on the prime rate in the Wall Street Journal. Payments on the line of credit for the year ended February 28, 2019 totaled \$211,454. Available credit at February 28, 2019 was \$211,454 (\$-0- for 2018). The line of credit is collateralized by Hotel/Motel revenue. The balance on the line of credit at February 28, 2019 was \$688,446 (\$900,000 for 2018).

12. Long-Term Debt

Long-term debt consists of the following at February 28, 2019 and February 28, 2018:

	<u>2019</u>	<u>2018</u>
Term note payable to JPMorgan Chase Bank, dated June 22, 2016 with initial principal due of 1,445,126, bearing interest at a fixed rate of 4.667% per annum, due in sixty four (64) monthly installments of \$17,811 beginning July 19, 2016; maturing November 19, 2021 and the final payment of the entire unpaid principal balance and accrued interest, collateralized accounts receivable, and all other corporate assets.	\$ 1,073,337	\$ 1,232,323
Less: Current maturities	<u>(163,666)</u>	<u>(156,216)</u>
Total long-term debt	<u>\$ 909,671</u>	<u>\$ 1,076,107</u>

Future minimum principal payments due on the renewed long-term debt are as follows:

	Principal	Interest	Total
2020	\$ 163,666	\$ 50,223	\$ 213,889
2021	<u>909,671</u>	<u>64,049</u>	<u>973,720</u>
Total	<u>\$1,073,337</u>	<u>\$114,272</u>	<u>\$1,187,609</u>

13. Retirement Plan

The Foundation adopted a "Savings Incentive Match Plan for Employees of Small Employers" (SIMPLE IRA) retirement plan on April 15, 2001 (effective April 15, 2001) covering all full time employees. Employees may elect to contribute to the plan through salary deferrals up to the maximum of \$10,000 per year or the amount as allowed by law. Hardship withdrawals and loans to participants are not allowed under the current Plan provisions. The Foundation elects to contribute to the plan a matching contribution equal to the employees' salary reduction contributions up to a limit of 3% of the employees' total compensation for the year. The Foundation made employer contributions of \$7,902 and \$8,728 in 2019 and 2018, respectively.

14. Disclosures about Fair Value of Assets and Liabilities

Effective January 1, 2008, the Foundation adopted **FASB ASC 820**, "Fair Value Measurements and Disclosures". **FASB ASC 820** defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Fair value measurements are used to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with **FASB ASC 820**, "Fair Value Measurement and Disclosures", the fair value of a financial instrument 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. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgement. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

13. Disclosures about Fair Value of Assets and Liabilities (continued)

Fair Value Hierarchy. In accordance with this guidance, financial assets and financial liabilities, generally measured at fair value, are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1 - Valuation is based on quoted prices in active markets for identical assets or liabilities the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. are obtained from readily available pricing sources for market transactions involving identical or liabilities.

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgement or estimation.

The following is a description of the valuation methodologies used for assets and liabilities at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as general classification of such assets and liabilities pursuant to the valuation hierarchy. Fair values estimated by using pricing models, which are based on transactions of similar terms. Derivative instruments are classified within Level 2 of the valuation hierarchy.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the **FASB ASC 820** fair value hierarchy in which the fair value measurements fall at February 28, 2019 and February 28, 2018:

	2019 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Certificates of deposit	<u>\$45,741</u>	<u>\$ -</u>	<u>\$ 45,741</u>	<u>\$ -</u>

13. Disclosures about Fair Value of Assets and Liabilities (continued)

	2018 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Certificates of deposit	\$ 45,797	\$ -	\$ 45,797	\$ -

The following methods and assumptions were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value.

Cash, Accounts Receivable, Prepaid Expenses, Accounts Payable, Accrued Expenses

The carrying amount approximates fair value.

Due to Participating Teams

The carrying amount approximates fair value due primarily to their short-term nature.

The estimated fair values of the Foundation's financial instruments as of February 28, 2019 and February 28, 2018 were as follows:

	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	\$ 724,321	\$ 724,321	\$ 439,735	\$ 439,735
Certificates of Deposit	45,797	45,797	45,741	45,741
Accounts receivable	366,393	366,393	546,345	546,345
Prepaid expenses	65,791	65,791	88,649	88,649
Financial liabilities:				
Accounts payable	147,911	147,911	174,776	174,776
Accrued expenses	3,883	3,883	8,212	8,212
Due to participating teams	1,312,964	1,312,964	1,305,892	1,305,892
Notes payable	1,073,337	1,073,337	1,232,323	1,232,323

14. Operating Lease Commitments

The Foundation has entered into the fifth (5th) amendment (dated April 1, 2014) to its original lease agreement (dated May 22, 2003) for the lease of its office space located in Shreveport, Louisiana. The lease term is extended for six (6) years beginning June 1, 2014 and ending May 31, 2020. The lease agreement calls for a base rent for the term of the lease at \$4,758/month through May 31, 2017, and will increase by 2.5% annually until the end of the lease term on May 31, 2020. Included in the

14. Operating Lease Commitments (continued)

lease rate are seven (7) parking spaces in the building's parking garage. The Foundation maintains a one-time right to terminate the leases if it loses its title sponsor, television sponsor, or state funding; the landlord may terminate the lease with one hundred twenty (120) day notice to the Foundation. Total lease/rental expense was \$59,695 and \$58,282 for the years ended February 28, 2019 and February 28, 2018, respectively.

The following is a schedule of future minimum payments required under the lease agreement as of February 28, 2018:

2019	57,096
2020	<u>14,274</u>
Present value of minimum lease payments	<u><u>\$71,370</u></u>

15. Major Contributor

One contributor accounted for sixty five (65)% percent of total contributions.

16. Subsequent Events

Management has evaluated subsequent events through July 12, 2019, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head

For the Year Ended February 28, 2019

Louisiana Revised Statue 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session of the Louisiana Legislature to clarify that nongovernmental or not-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

Independence Bowl Foundation, Inc. is not required to report the total compensation, reimbursements, and benefits paid to Missy Setters, the Executive Director, as none of those payments were made from public funds.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Directors
Independence Bowl Foundation, Inc.
Shreveport, 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 Independence Bowl Foundation, Inc. which comprise the statement of financial position as of February 28, 2019 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and related notes to the financial statements, and have issued my report thereon dated July 12, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Independence Bowl Foundation, Inc.'s internal control over financial reporting to determine 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.

A deficiency in internal control exists when the design or operation 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 Foundation's financial statements will not be prevented, or detected 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 f this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations during my audit I did not identify any deficiencies 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 Independence Bowl Foundation, Inc. s financial statements are free of 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 the determination of financial statement amounts. 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*.

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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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant
July 12, 2019

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Findings

For the Year Ended February 28, 2019

Summary of Audit Results:

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No material weaknesses relating to the audit of the basic financial statement are reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

There were no findings for the year ended February 28, 2019.

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Prior Year Findings

For the Year Ended February 28, 2019

FINDING # 2018-1:

Condition: The Foundation is not in compliance with the terms of the loan from Chase Bank.

Status: Resolved.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors
Independence Bowl Foundation, Inc.
Shreveport, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Board of Directors of the Independence Bowl Foundation (the Foundation) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) the fiscal period March 1, 2018 through February 28, 2019. The Foundation's management is responsible for those control and compliance areas identified in the SAUPs

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and associated findings are enumerated below.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operation):
 - a) **Budgeting**, including preparing, adopting, monitoring and amending the budget.
 - b) **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.
 - c) **Disbursements**, including processing, reviewing and approving.
 - d) **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) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt insurance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Procedures Results - I noted no exceptions.

Board (or Finance Committee, if applicable)

2. 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:
 - a) 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.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Procedures Results - I noted no exceptions.

Bank Reconciliations

3. Obtain a listing of client 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 five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

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

Procedure Results - I noted no exceptions.

Collections

- 4. 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 sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select on collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger posting to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequential pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to actual deposit per the bank statement
- d) 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

Procedure Results - I noted no exceptions.

Non-Payroll Disbursements - General (excluding credit card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. 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).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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.
- 10. For each location selected under #8 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:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Procedure Results - I noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. 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:
 - a) Observe that there is evidence that the monthly statement of combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Procedure Results - I noted no exceptions.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U. S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation included the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Procedure Results - I noted no exceptions.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) 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.

Procedure Results - I noted no exceptions.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period, For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' authorized pay rates in the employee/officials' personnel file.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Procedure Results - I noted no exceptions.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Procedure Results - I noted no exceptions.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. 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.

Procedure Results - I noted no exceptions.

Other

23. 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.
24. 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.

Procedure Results - I noted no exceptions.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those controls or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:514, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "Mandra D. Mulhearn".

Certified Public Accountant

July 12, 2019