

**Greater New Orleans Sports Foundation**

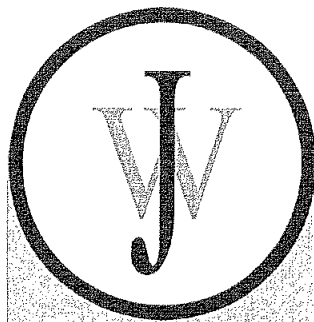
**Financial Statements**

**For the Year Ended December 31, 2012**



## Table of Contents

	<b>Page</b>
Independent Auditors' Report	1
<b>Basic Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
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>	15
<b>Schedule of Findings and Questioned Costs</b>	
Summary of Auditors' Report	17
Findings – Financial Statement Audit	18
Summary of Prior Year Findings	19



# J. WALKER & COMPANY<sub>APC</sub>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

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

### Report of the Financial Statements

We have audited the accompanying financial statements of Greater New Orleans Sports Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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, we 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.

#### OFFICES:

949 RYAN ST. STE.100  
LAKE CHARLES  
LOUISIANA 70601  
(O) 337-478-7902  
(F) 337-478-3345

3402 JACKSON ST. STE.D  
ALEXANDRIA  
LOUISIANA 71303  
(O) 318-448-0048  
(F) 318-448-0024

#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

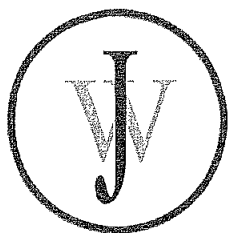
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans Sports Foundation as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2013, on our consideration of Greater New Orleans Sports Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Greater New Orleans Sports Foundation's internal control over financial reporting and compliance.

***J. Walker & Company, APC***

Lake Charles, Louisiana  
June 21, 2013



**Greater New Orleans Sports Foundation**  
**Statement of Financial Position**  
**December 31, 2012**

**Assets**

**Assets:**

Cash and cash equivalents	\$ 1,296,005
Receivables	338,732
Prepaid expense	24,784
Fixed assets, net	<u>38,967</u>

<b>Total assets</b>	<b>\$ <u>1,698,488</u></b>
---------------------	----------------------------

**Liabilities and Net Assets**

**Liabilities:**

Accounts payable	\$ 118,950
Due to affiliate, net	24,502
Deferred revenue	<u>4,650</u>

<b>Total liabilities</b>	<u>148,102</u>
--------------------------	----------------

**Net Assets:**

Unrestricted	1,275,346
Temporarily Restricted	<u>275,040</u>

<b>Total net assets</b>	<u>1,550,386</u>
-------------------------	------------------

<b>Total liabilities and net assets</b>	<b>\$ <u>1,698,488</u></b>
---	----------------------------

The accompanying notes are an integral part of the financial statements

**Greater New Orleans Sports Foundation**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Support</b>			
State & local grants & contracts	\$ -	\$ 1,297,360	\$ 1,297,360
Management fees	235,140	-	235,140
Membership revenues	291,583	-	291,583
Event revenues	120,088	-	120,088
NFL luncheon	177,563	-	177,563
Sponsorships	2,000	-	2,000
Interest income	<u>1,570</u>	<u>-</u>	<u>1,570</u>
<b>Total Revenues and Support</b>	827,944	1,297,360	2,125,304
<b>Net Assets Released from Restrictions</b>	<u>1,022,320</u>	<u>(1,022,320)</u>	<u>-</u>
<b>Expenses</b>			
Program Services	1,845,799	-	1,845,799
Supporting Services	<u>554,586</u>	<u>-</u>	<u>554,586</u>
<b>Total Expenses</b>	<u>2,400,385</u>	<u>-</u>	<u>2,400,385</u>
<b>Change in Net Assets</b>	(550,121)	275,040	<u>(275,081)</u>
<b>Net Assets at Beginning of Year</b>	<u>1,825,467</u>	<u>-</u>	<u>1,825,467</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,275,346</u>	<u>\$ 275,040</u>	<u>\$ 1,550,386</u>

The accompanying notes are an integral part of the financial statements

**Greater New Orleans Sports Foundation**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2012**

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Total Expenses</u>
Annual luncheon	\$ 122,424	\$ -	\$ 122,424
Automobile lease payments	-	10,465	10,465
Bank fees	-	12,591	12,591
Computer	-	2,149	2,149
Conference and meeting	-	3,025	3,025
Depreciation	-	15,666	15,666
Donations	-	11,644	11,644
Dues/Subscriptions	-	6,450	6,450
Ground transportation	13,135	-	13,135
Insurance	-	23,370	23,370
Internet services	-	6,729	6,729
Media and promotion	103,625	-	103,625
Membership events	408,740	-	408,740
Miscellaneous	-	2,909	2,909
Miscellaneous capitalized asset purchases	-	3,209	3,209
Postage	-	8,293	8,293
Printing	-	8,230	8,230
Professional services	15,000	57,069	72,069
Rent	48,722	16,241	64,963
Repair and maintenance contracts	-	14,636	14,636
Salaries and related benefits	963,391	321,131	1,284,522
Sporting event expenses	122,116	-	122,116
Supplies	-	14,033	14,033
Telephone	37,494	13,751	51,245
Travel	-	2,995	2,995
Volunteer expenses	11,152	-	11,152
<b>Total expenses</b>	<u>\$ 1,845,799</u>	<u>\$ 554,586</u>	<u>\$ 2,400,385</u>

The accompanying notes are an integral part of the financial statements



**Greater New Orleans Sports Foundation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2012**

**Cash flows from operating activities:**

Change in net assets	\$ (275,081)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	15,666
Decrease in receivables	478,296
Decrease in due from affiliates	735,836
Decrease in prepaid expenses	3,247
Decrease in accounts payable	(70,476)
Increase in due to affiliate	40,431
Increase in deferred revenue	<u>650</u>
Net cash provided by (used in) operating activities	<u>928,569</u>

**Cash flows from investing activities:**

Purchases of fixed assets	<u>(3,083)</u>
Net cash provided by (used in) investment activities	<u>(3,083)</u>

Net increase (decrease) in cash and cash equivalents 925,486

**Cash and cash equivalents at beginning of year** 370,519

**Cash and cash equivalents at end of year** \$ 1,296,005

**Additional required disclosures:**

1. Interest paid in 2012: \$5,181

The accompanying notes are an integral part of the financial statements

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 1 – Summary of Significant Accounting Policies**

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.

Basis of Accounting

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

Basis of Presentation

The Foundation has adopted the provisions of FASB ASC Topic 958, *Presentation of Financial Statements of Not-For-Profit Organizations*, and reports its financial position and activities according to three classes of net assets according to externally (donor) imposed restrictions.

*Unrestricted net assets* include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Foundation are included in this category. The Foundation has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Foundation, and therefore, the Foundation's policy is to record these net assets as unrestricted. As of December 31, 2012 the Foundation had \$1,275,346 in unrestricted net assets.

*Temporarily restricted net assets* include realized gains and losses, investment income and gifts, and appropriations and contributions for which donor-imposed restrictions have not been met. As of December 31, 2012 the Foundation had \$275,040 in temporarily restricted net assets.

*Permanently restricted net assets* are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions. As of December 31, 2012 the Foundation had no permanently restricted net assets

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.

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 1 – 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 requires 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.

*Furniture and Equipment*

The Foundation capitalizes all fixed asset purchases with a unit cost greater than \$1,000 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.

*Compensated Absences*

The Foundation accounts for compensated absences (e.g., unused vacation, sick leave) as directed by the Financial Accounting Standards Board Accounting Standards Codification No. 710-10-50-1 (FASB ASC 710-10-50-1), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. As of December 31, 2012, no estimates were made for compensated absences.

*Grants Receivable*

Grants are recorded at the time of the award, except for reimbursement grants which are recorded as expenditures are incurred. If a grant becomes uncollectible, then it is written off at that time. No allowance is recorded because management believes all grants to be collectible.

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 1 – Summary of Significant Accounting Policies (continued)**

*Revenue Recognition*

Contributions and grants are recorded when awarded or pledged, except for reimbursements grants which are recorded as expenditures are incurred. All donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation has a cooperative endeavor agreement with the State of Louisiana, in which the State remits funds to the Foundation based on slot tax collections at the Fair Grounds Race Course and Slots. The Fair Grounds is a thoroughbred racetrack and casino in New Orleans, Louisiana that is owned and operated by Churchill Downs Louisiana Horseracing Company, LLC. Revenue is recognized based on expenditures incurred. The amounts received from the State are recorded as deferred revenue on a periodic basis. The Foundation reconciles deferred revenue/revenue to actual expenditures incurred.

*Income Taxes*

The Foundation is a not-for-profit organization as described in Section 501(c)(4) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

However, the Foundation is subject to income tax on any unrelated business taxable income. Since the Foundation had no unrelated business income for the year ended December 31, 2012, no provision for income taxes is included in the accompanying financial statements.

The Foundation files Form 990, Return of Organization Exempt from Income Tax, in the U.S. federal jurisdiction and the State of Louisiana. The deadline to file Form 990 for the tax year ended December 31, 2012 has been extended until August 15, 2013. The Foundation has not filed their 2012 Form 990 as of the date these financial statements were available to be issued. Should the Foundation's tax status be challenged in the future, the 2009, 2010 and 2011 tax years are open to tax examination by the IRS.

In July 2006, the Financial Accounting Standards Board (FASB) issued Accounting for Uncertainty in Income Taxes, which clarifies the accounting and disclosure for uncertain tax positions. This interpretation requires organizations to use a prescribed model for assessing the financial statement recognition and measurement of all tax positions taken or expected to be taken in tax returns. The Foundation applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by the taxing authorities.

Management has evaluated the Foundation's tax positions and concluded that the organization had taken no uncertain tax positions that require recognition or disclosure in the financial statements.

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 2 – Cash and Cash Equivalents**

At December 31, 2012, cash and cash equivalents consisted of the following:

Checking account	\$ 19,889
Savings account	93,962
Interest-bearing demand deposit	199,433
Money market account	<u>982,721</u>
 Total	 <u>\$1,296,005</u>

**Note 3 – Receivables**

For the year ended December 31, 2012 amounts included in receivables were funds due to the Foundation from state grants and contracts, as well as funds due from memberships, and other sources. Receivables for the year ended December 31, 2012 consisted of the following:

State of Louisiana	
Department of Culture, Recreation & Tourism	\$ 262,545
Department of the Treasury	12,495
Membership dues receivables	5,000
Other receivables	<u>58,692</u>
 Total receivables	 <u>\$ 338,732</u>

**Note 4 – Fixed Assets**

The following schedule summarizes estimated cost and accumulated depreciation of property and equipment as of December 31, 2012:

<b><u>Description</u></b>	<b><u>Amount</u></b>
Office furniture & equipment	\$ 83,333
Less: accumulated depreciation	<u>(44,366)</u>
 Total	 <u>\$ 38,967</u>

Depreciation expense for the year ended December 31, 2012 totaled \$15,666.

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 5 – Concentration of Risk**

The Foundation's cash and cash equivalents consist of deposits that are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Interest bearing deposits are secured from risk by \$250,000 of federal deposit insurance, non-interest bearing deposits are fully insured. As of December 31, 2012, the Foundation's deposits were within FDIC limits.

**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.

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 are available in active markets for identical investments as of the reporting date.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the models or methodologies.
- Level 3 - Pricing inputs are unobservable for the investment and include where there is little, if any market activity. The inputs into the determination of fair value require significant management judgement 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.

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**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 December 31, 2012 totaled \$110,780. The New Orleans Bowl also provided the Foundation with tickets valued at \$235,140 for services rendered to the New Orleans Bowl for management fees. In addition to the tickets provided in conjunction with game management, the Foundation also purchased New Orleans Bowl tickets for their members valued at \$173,600. The total balance for the purchased tickets remains outstanding at year end December 31, 2012 and is recorded as due to affiliate in the Statement of Financial Position.

*The New Orleans Super Bowl XLVII Host Committee*

Certain board members of the Foundation are also board members of the Super Bowl, Inc. The Foundation has contracted with the Super Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the Super 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 Super Bowl. The Foundation is also due certain expense reimbursements from the Super Bowl in conjunction with game management. The amount due from the Super Bowl at December 31, 2012 totaled \$38,318.

The following is a summary of due to/from affiliate amounts as of December 31, 2012:

Due to affiliates	
New Orleans Bowl, Inc.	\$ 173,600
Less: Due from affiliates	
New Orleans Bowl, Inc.	(110,780)
Super Bowl, Inc.	<u>(38,318)</u>
Due to affiliate, net	<u>\$ 24,502</u>

**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 8 – Grants and Contracts**

The Foundation is the recipient of grants and contracts from various sources in the amount of \$1,297,360. 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 December 31, 2012:

<u>Funding Source</u>	<u>Revenue</u>
Grant revenues:	
State of Louisiana Department of Recreation and Tourism	\$ 544,050
Contract revenues:	
Fair Grounds Slot Tax	<u>753,310</u>
Total	<u>\$ 1,297,360</u>

**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 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.



**Greater New Orleans Sports Foundation**  
**Notes to the Financial Statements**  
**December 31, 2012**

**Note 9 – Commitments and Contingencies (continued)**

Operating Lease

The Foundation leases office space under the terms of a non-cancelable lease. The term of the lease is seven years beginning June 1, 2012 and ending May 31, 2018. Future minimum lease payments under the operating lease as of December 31, 2012 are:

Year Ending December 31:

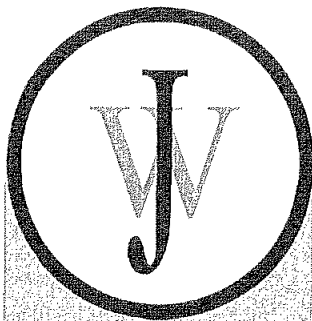
2013	\$ 65,938
2014	66,927
2015	67,930
2016	68,950
2017	69,984
2018	<u>29,341</u>
Total	<u>\$ 369,070</u>

**Note 10 –Board of Directors Compensation**

The Board of Directors is a voluntary board. No compensation was paid to any board member during the year ended December 31, 2012.

**Note 11 – Subsequent Events**

Management of Greater New Orleans Sports Foundation evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 21, 2013, the date which the financial statements were available to be issued.



# J. WALKER & COMPANY<sub>APC</sub>

ACCOUNTANTS AND ADVISORS

## 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater New Orleans Sports Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greater New Orleans Sports Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater New Orleans Sports Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

#### OFFICES:

949 RYAN ST. STE.100  
LAKE CHARLES  
LOUISIANA 70601  
(O) 337-478-7902  
(F) 337-478-3345

3402 JACKSON ST. STE.D  
ALEXANDRIA  
LOUISIANA 71303  
(O) 318-448-0048  
(F) 318-448-0024

#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

deficiencies in internal control that we 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 Greater New Orleans Sports Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-01.

### **Greater New Orleans Sports Foundation's Response to Findings**

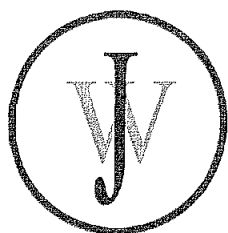
Greater New Orleans Sports Foundation's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Greater New Orleans Sports Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Document Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana  
June 21, 2013



**Greater New Orleans Sports Foundation  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012**

**I. Summary of Auditors' Report**

a. Financial Statements

1. The auditors' report expresses an unqualified opinion on the financial statements of Greater New Orleans Sports Foundation.
2. No control deficiencies were disclosed during the audit of the financial statements or 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. One instance of noncompliance material to the financial statements of Greater New Orleans Sports Foundation is 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 And Internal Control Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

1. The entity did not receive any federal awards during the year ended December 31, 2012, and therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*.

c. Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2012.

**Greater New Orleans Sports Foundation  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012**

**II. Findings – Financial Statement Audit**

**INTERNAL CONTROL AND COMPLIANCE FINDINGS**

**2012-01 Open Meetings**

**Condition:**

Board meetings of Greater New Orleans Sports Foundation where decisions were made on the use of public funds were not open to the public.

**Criteria:**

Non-profit organizations receiving public funds (quasi-public agencies) are required by Louisiana R.S. 42:1-42:13 (Open Meetings Law) to open meetings where discussions on the use of public funds take place to the public for comments.

**Effect:**

The individuals served by Greater New Orleans Sports Foundation were not given an opportunity to comment or deliberate on matters affecting the use of public funds.

**Recommendation:**

Greater New Orleans Sports Foundation should ensure that laws related to quasi-public agencies and Louisiana Open Meetings Law are adhered to when conducting meetings where discussions on the use of public funds take place by posting notices that are available to be viewed by the public.

**Response:**

Management will ensure that schedules and agendas of all Board meetings where discussions on the use of public funds take place are available to be viewed by the public.

**Greater New Orleans Sports Foundation  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012**

**III. Summary of Prior Year Findings**

There were no findings for the prior year audit.