INDEPENDENCE BOWL FOUNDATION, INC.

(Audited Financial Statements and Related Notes)

SHREVEPORT, LOUISIANA

FEBRUARY 28, 2018 AND FEBRUARY 28, 2017

MARSHA O. MILLICAN
CERTIFIED PUBLIC ACCOUNTANT
SHREVEPORT, LOUISIANA

INDEPENDENCE BOWL FOUNDATION, INC.

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FEBRUARY 28, 2018 AND FEBRUARY 28, 2017

AUDITED FINANCIAL STATEMENTS

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, 2018 and February 28 2017 and the related statements of activities, 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.

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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, 2018 and February 28, 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 12, 2018 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.

Certified Public Accountant
July 12, 2018

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Financial Position

February 28, 2018 and February 28 2017

ASSETS	2018	2017
Current assets:		
Cash and cash equivalents	$ 439,735	$ 974,658
Certificates of deposit	45,741	45,683
Accounts receivable	546,345	86,623
Prepaid expenses	88,649	35,024
Total current assets	1,120,470	1,141,988
Fixed assets:		
Leasehold improvements/renovations	1,684,059	1,684,059
Less-accumulated depreciation and amortization	(505,218)	(336,812)
Net fixed assets	1,178,841	1,347,247
Deposits	7,015	7,015
Total assets	2,306,326	2,496,250
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Due to participating teams	1,305,892	1,776,796
Accounts payable	174,776	110,903
Line of credit payable	900,000	456,000
Accrued interest payable	4,467	5,019
Payroll withholding payable	3,745	4,248
Current portion of long-term debt	156,216	118,880
Total current liabilities	2,545,096	2,471,846
Long-term liabilities:		
Notes payable, less current portion	1,076,107	1,265,085
Total long-term liabilities	1,076,107	1,265,085
Total liabilities	3,621,203	3,736,931
Unrestricted net assets:		
Unrestricted	(1,314,877)	(1,240,681)
Total unrestricted net assets	(1,314,877)	(1,240,681)
Total liabilities and unrestricted net assets	$ 2,306,326	$2,496,250

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended February 28, 2018 and February 28, 2017

	2018	2017
Revenue:		
Support:		
Contributions	$ 772,620	$ 1,192,563
Grants from state and local governments	335,000	415,000
Total support	1,107,620	1,607,563
Revenue:		
Program Service Fees	1,820,123	1,657,433
Hotel Occupancy Tax	625,345	547,706
Memberships	38,500	38,001
Miscellaneous Revenue	4,339	6,075
Total revenue	2,488,307	2,249,215
Total support and revenue	3,595,927	3,856,778
Expenses:		
Program Services		
Independence Bowl:		
Distributions to participating teams	2,000,000	2,150,000
Personnel	316,975	317,598
Advertising and promotion	193,158	148,437
Bowl related events	113,642	133,559
Trophies, awards and souvenirs	128,557	105,789
Game day expenses	175,592	187,557
Scoreboard expenses	25,850	18,664
Other expenses	353,303	455,655
Total program services	3,307,077	3,517,259
Supporting services:		
Management and general	363,046	401,659
Total supporting services	363,046	401,659
Total expenses	3,670,123	3,918,918
Change in unrestricted net assets	(74,196)	(62,140)
Unrestricted net assets - beginning of year, as previously reported:	(1,240,681)	(1,165,184)
Prior period adjustment	-	(13,357)
Unrestricted net assets, beginning of year, restated	(1,240,681)	(1,178,541)
Unrestricted net assets, end of year	$ (1,314,877)	$(1,240,681)

The accompanying notes are an integral part of this statement.

INDEPENDENCE BOWL FOUNDATION, INC.

Statement of Cash Flows

For the Years Ended February 28, 2018 and February 28, 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	$ (74,196)	$ (62,140)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	168,406	168,406
Bad debt expense	3,588	1,812
Prior period adjustment	-	(13,357)
(Increase) decrease in assets:		
Accounts receivable	(463,610)	269,664
Prepaid expenses	(53,625)	(4,061)
Increase (decrease) in liabilities:		
Due to participating teams	(470,904)	(532,249)
Accounts payable	63,873	(20,420)
Accrued expenses	(1,055)	3,174
Total adjustments	(753,327)	(127,031)
Net cash provided (used) by operating activities	(827,523)	(189,171)
Cash flows from investing activities:		
Purchases of fixed assets	-	-
Reinvestment of interest on certificates of deposit	(58)	(17)
Net cash provided (used) by investing activities	(58)	(17)
Cash flows from financing activities:		
Draws on line of credit	481,000	900,000
Principal payments on line of credit	(37,000)	(444,000)
Payment of principal on long-term debt	(151,642)	(114,594)
Net cash provided (used) by financing activities	292,358	341,406
Net increase (decrease) in cash and cash equivalents	(535,223)	152,218
Cash and cash equivalents - beginning of year:	974,958	822,740
Cash and cash equivalents - end of year:	439,735	974,958
Supplementary cash flow information:		
Cash paid during the year for interest	$ 103,113	$ 117,316

The accompanying notes are an integral part of this statement.

1. Organization and Nature of Activities

The Independence Bowl Foundation, Inc. (the "Foundation") is a tax-exempt non-profit organization established for the purpose of advertising and promoting amateur sports and sports related events in the Shreveport-Bossier City 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.

2. Summary of Significant Accounting Policies

General

The summary of significant accounting policies of the Independence Bowl Foundation, Inc. is presented to assist in the understanding of the Foundation's financial statements. The financial statements and notes thereto are the representation of the Foundation's management, which is responsible for their integrity and objectivity. The financial statements of the Foundation are prepared on the accrual basis of accounting. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are liquid assets with a maturity date of (3) months or less when purchased. Cash and cash equivalents include cash in banks. At February 28, 2018, the carrying amount of the Foundation's deposits were $485,476 while bank balances totaled $594,214. Deposits of $516,608 were secured by FDIC insurance and deposits of $77,606 were unsecured and subject to risk. At February 28, 2017, deposits of $445,281 were unsecured and subject to risk.

Accounts Receivable

Accounts receivable are carried at the original invoice amount, less management's estimate of doubtful accounts, based on a monthly board review of all outstanding receivable amounts. Management's calculation of the allowance for doubtful accounts is determined by evaluating individual customer receivables and by considering the customer's current financial condition, credit history, ability to repay, and surrounding economic conditions. Accounts receivable are written off against the allowance for doubtful accounts when deemed uncollectible by management. See Note 4 for further discussion of accounts receivable.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation for reporting purposes is calculated on the straight-line method, over the estimated useful lives of the assets. Expenditures for major renewals or betterments which extend the useful lives of fixed assets are capitalized. Expenditures for maintenance and repair costs are charged to expenses as

2. Summary of Significant Accounting Policies (Continued)

Fixed Assets (continued)

as incurred. Amortization of leasehold improvements is computed using a straight-line method over the remaining life of the lease.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Concentrations of Credit Risk

A portion of the Foundation's ticket sales and other business activity involves members located in the Shreveport and Bossier City, Louisiana area. The economy of this area is diversified but depends heavily on industries such as oil and gas, agriculture, medical and professional services. Although these particular areas of the economy and Shreveport and Bossier City economy in general are doing relatively well at the present time, there exists a possibility for decline in the future.

Financial Statement Presentation

The Foundation adopted **Financial Accounting Standards Board (FASB ASC #958),** *"Not-for-Profit Organizations"*. Under FASB ASC #958, the Foundation is required to report information regarding its financial position and activities based on donor imposed restrictions and in accordance with three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this statement, the Foundation does not currently use fund accounting and has, accordingly, reclassified its financial statements to present the classes of net assets required.

Donated Goods, Services and Facilities

In accordance with FASB ASC #958, organizations are required to recognize as revenue and related expense, any goods, services or facilities usage received, if the organization would typically need to purchase the services. No amounts have been reflected in the financial statements of the Foundation for donated goods, services or facilities because there was either no objective basis available to measure their value or the value given was considered immaterial to the financial statements taken as a whole.

Advertising

Advertising costs are expensed as incurred and are included in program expenses on the statement of activities. Advertising expense amounted to $193,158 and $148,437 for the years ended February 28, 2018 and February 28, 2017, respectively.

Income Taxes

The Foundation is a nonprofit organization and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements, but the Foundation is required to file an annual information tax return. The Foundation is also required to review various tax positions it has taken with respect its exempt status and determine whether, in fact it is a tax exempt entity. The Foundation must

2. Summary of Significant Accounting Policies (Continued)

Income Taxes (continued)

also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect its positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

3. Certificates of Deposit

Certificates of deposits at February 28, 2018 and February 28, 2017 consisted of the following:

	2018	2017
Regions Bank	$ 22,794	$ 22,786
JP Morgan Chase Bank	11,111	11,108
Origin Bank	11,836	11,789
Total Certificates of Deposit	$ 45,741	$ 45,683

4. Accounts Receivable

Accounts receivable at February 28, 2018 and February 28, 2017 consisted of the following:

	2018	2017
Corporate sponsors/advertisers	$ 502,011	$ 51,225
Accrued hotel occupancy tax	50,984	43,310
Total receivables	552,995	94,535
Less: allowance for doubtful accounts	(6,650)	(7,912)
Accounts receivable, net	$ 546,345	$ 86,623

5. Cooperative Endeavor Agreement

As of November 6, 2015, 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, 2018. 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. Income Taxes

The Foundation is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3); however, the Foundation is liable for federal income taxes on net income derived from business activities unrelated to its tax-exempt status. Under **FASB ASC #740**, *"Accounting for Uncertainty in Income Taxes"*, the Foundation has not adopted any uncertain tax positions with respect to those amounts reported in its 2018 and 2017 financial statements. The Foundation is no longer subject to income tax examinations by tax authorities for the years before 2015.

7. 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.

8. Participating Team Distribution Agreements

For the year ended February 28, 2018, the Foundation's agreement with the Atlantic Coast Conference (ACC) and the Conference USA (C-USA), whereby the Foundation has agreed to pay the participant from the ACC $1,200,000 and the participant from the C-USA $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 C-USA 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.

8. Participating Team Distribution Agreements (continued)

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

2017 Independence Bowl:

	Florida State	Southern Miss Golden Eagles	Totals
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	(291,900)	(451,195)	(743,095)
Balance due participating teams	$ 908,100	$ 348,805	$1,256,905

2016 Independence Bowl:

	North Carolina State	Vanderbilt	Totals
Calculated gross team payout	$ 1,200,000	$ 950,000	$2,150,000
Less: Value of game tickets allocated to and retained by participating institutions and other items	(296,675)	(381,900)	(678,575)
Balance due participating teams	$ 1,089,501	$ 568,100	$1,471,425

As of February 28, 2018, the minimum payout distribution obligations (by contract) to the participating teams are as follows:

2017	$1,305,892

Due to participating teams include $48,987 for the 2016 Bowl.

9. 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.

10. Line of Credit Payable

The Bowl has a line of credit at a bank bearing interest at a rate of 5.50%. Net draws on the line of credit totaled $444,000. Available credit at February 28, 2018 was $-0-. The line of credit is collateralized by Hotel/Motel revenue. The balance on the line of credit at February 28, 2018 and July 12, 2018 was $900,000.

11. _

Long-term debt consists of the following at February 28, 2018 and February 28, 2017:

	2018	2017
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.	$ 1,232,323	$ 1,383,965
Less: Current maturities	(156,216)	(118,880)
Total long-term debt	$ 1,076,107	$ 1,265,085

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

	Principal	Interest	Total
2019	$ 156,216	$ 57,512	$ 213,728
2020	163,506	50,223	213,729
2021	912,601	64,049	976,650
Total	$ 1,232,323	$ 171,784	$ 1,404,107

12. 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 $8,728 and $8,179 in 2018 and 2017, respectively.

13. 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 that 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. Valuations are obtained from readily available pricing sources for market transactions involving identical assets 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 full term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include 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 measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. Fair values are 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, 2018 and February 28, 2017:

		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	$ 45,741	$ -	$ 45,741	$ -

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

		2017 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	$ 45,683	$ -	$ 45,683	$ -

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, 2018 and February 28, 2017 were as follows:

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	$ 439,735	$ 439,735	$ 974,658	$ 974,658
Certificates of Deposit	45,741	45,741	45,683	45,683
Accounts receivable	546,345	546,345	86,623	86,623
Prepaid expenses	88,649	88,649	35,024	35,024
Financial liabilities:				
Accounts payable	174,776	174,776	110,903	11,090
Accrued expenses	8,212	8,212	9,267	9,267
Due to participating teams	1,305,892	1,305,892	1,776,796	1,776,796
Notes payable	1,232,323	1,232,323	1,383,965	1,383,965

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 lease rate are seven (7) parking spaces in the building's parking garage. The Foundation maintains a

14. Operating Lease Commitments (continued)

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 $58,282 and $57,093 for the years ended February 28, 2018 and February 28, 2017, respectively.

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

2019	59,621
2020	15,372
Present value of minimum lease payments	$ 74,993

15. Major Contributor

One contributor accounted for fifty two (52)% percent of total contributions.

16. Subsequent Events

Management has evaluated subsequent events through July 12, 2018, 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, 2018

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*

To the 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 the Independence Bowl Foundation, Inc., as of and for the year ended February 28, 2018, and the related notes to the financial statements, which collectively comprised the Independence Bowl Foundation's basic financial statements, and have issued my report thereon dated July 12, 2018.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Independence Bowl 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Independence Bowl Foundation's internal control. Accordingly, I do not express an opinion of the effectiveness of the Independence Bowl Foundation'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.

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Independence Bowl Foundation's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is reported in the accompanying schedule of findings as Finding #2018-1.

Purpose of this Report

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

Marsha O. Millican

Certified Public Accountant
July 12, 2018

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Findings

For the Year Ended February 28, 2018

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No material weakness relating to the audit of the basic financial statements are reported.
3. One instance of noncompliance material to the financial was disclosed during the audit.

Finding #2018-1: The Foundation is not in compliance with the terms of the loan from Chase Bank.

Criteria: The terms of the loan from Chase Bank require a Debt Service Coverage Ratio of 1.0.

Condition: The Foundation's Debt Service Coverage Ratio was less than 1.00.

Cause: Unknown.

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

Recommendation: I recommend the Foundation take steps to improve the Debt Service Coverage Ratio.

Management's Response and Corrective Action Plan: We agree with the findings. We will take steps to improve the Debt Coverage Ratio.

INDEPENDENCE BOWL FOUNDATION, INC.

Schedule of Prior Year Findings

For the Year Ended February 28, 2018

There were no findings for the year ended February 28, 2017.

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 specified and agreed to by the Board of Directors of Independence Bowl Foundation, Inc. (the Foundation) to assist the Foundation in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended February 28, 2018. I am required to perform each procedure and report the results, including any exceptions. The District is responsible for internal controls and compliance with laws and regulations relative to the SAUP and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for their purposes.

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

Written Policies and Procedures

1. I obtained the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:

   - ***Budgeting***, including preparing, adopting, monitoring and amending the budget.

   - ***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.

   - ***Disbursements***, including processing, reviewing and approving.

   - ***Receipts***, including receiving, recording, and preparing deposits.

   - ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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- ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- ***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, and (5) monitoring card usage.

- ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

- ***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. Note: Ethics requirements are not applicable to nonprofits.

- ***Debt Service***, including (1) debt insurance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

  a) Procedures Results - I noted no exceptions.

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:

   - Determined whether the managing board met (with a quorum) at least monthly, or in a frequency in accordance with board's enabling legislation, charter, or other equivalent document.

   - Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

     If the budget-to actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

   - Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least meeting during the fiscal period.

   a) Procedures Results - I noted no exceptions.

Bank Reconciliations

3. I obtained a listing of the Foundation's bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, I selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than five accounts). For each of the bank accounts selected, I obtained bank statements and reconciliations for all months in the fiscal period and determined whether:

   - Bank reconciliations have been prepared

   - Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

   - If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

     a) Procedures Results - I noted no exceptions.

Collections

5. I obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, I selected all of the entity's cash collection locations (if five or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each collection location selected:

   - I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transactions, or reconciling the related bank account(report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

   - I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash location selected.

   - I selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

     Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and determined whether the the deposits were made within one day of collection. If deposits were not made within one day of collection, I determined the number of days from receipt to deposit for each day at each collection location.

Using sequentially numbered receipts, system reports, or other related collection documentation I verified that daily cash collections are completely supported by documentation and noted any documentation and noted any exceptions.

7. I obtained written documentation (e.g. policy manual, written procedure) and determined whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

   a) Procedure Results - I noted no exceptions.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments

8. I obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general population is complete.

9. Using the disbursement population from #8 above, I randomly selected 30 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less that 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases of payments. I obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

   - Purchases were initiated using a requisition/purchase order system or an equivalent system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

   - Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

   - Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or an electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. I inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, I reviewed entity documentation (electronic system control documentation) and noted whether the persons with signatory authority have signatory authority have system access to print checks.

13. If a signature stamp or signature machine is used, I inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. I inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

    a) Procedure Results - I noted no exceptions.

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

14. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.

15. Using the listing prepared by management, I randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

    I obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. I selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

    - Determined whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); these instances should not be reported.]
    - Determined whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, I obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

    - For each transaction, I determined whether the transaction is supported by:

        An original itemized receipt (i.e., identifies precisely what was purchased).

        Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

        Other documentation that may be required by written policy (e.g. purchase order, written authorization).

- For each transaction, I compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

- For each transaction, I compared the entity's documentation of the business/public purpose to the requirement of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

  a) Procedure Results - I noted no exceptions.

Travel and Expense Reimbursement

17. I obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. I obtained management's representation that the listing or general ledger is complete.

18. I obtained the entity's written policies related to travel and expense reimbursements. I compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

19. Using the listing or general ledger from #17 above, I selected the three persons who incurred the most travel costs during the fiscal period. I obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

    - I compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, and lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

    - I determined whether each expense is supported by:

      An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

      Documentation of the business/public purpose [Note: For meal charges, there should also be documentation of the individuals participating].

      Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

- I compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

  a) Procedure Results - I noted no exceptions.

Contracts

20. I obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. I obtained management's representation that the listing or general ledger is complete.

21. Using the listing above, I selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). I obtained the related contracts and paid invoices and:

- Determined whether is a formal/written contract that supports the services arrangement and the amount paid.
- I compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. I noted whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

  If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g. solicited quotes or bids, advertisement, selected lowest bidder).

  If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- I determined whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- I selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and noted whether the invoice and related payment complied with the terms and conditions of the contract.
- I obtained/reviewed contract documentation and board minutes and determined whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

  a) Procedure Results - I noted no exceptions.

Payroll and Personnel

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. I randomly selected five employees/officials, obtained their personnel files, and:

    a) Reviewed compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

    b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

23. I obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within the pay period, I randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

    a) Determined whether 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) Determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

    c) Determined whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

24. I obtained from management a list of those employees/officials that terminated during the fiscal period and managements representation that the list is complete. If applicable, I selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. I noted whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined whether the employee and employer portions of the payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

    a) Procedure Results - I noted no exceptions.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, I obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. I inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, I reviewed documentation that demonstrates whether management investigate alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. I determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

    a) Ethics training is not required for this entity.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, I obtained supporting documentation from the entity and determined whether State Bond Commission approval was obtained.

29. If the entity had outstanding debt during the fiscal period, I obtained supporting documentation from the entity and determined whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, I obtained supporting documentation and determined whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, I determined whether any millages continue to be received for debt that has been paid off.

    a) Procedures Results - I noted no exceptions.

Other

31. I inquired of management whether the entity had any misappropriations of public funds or assets. If so, I obtained/reviewed supporting documentation and noted whether the entity had reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

32. I observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

    a) Procedures Results - I noted one exception: the notice required by R.S.24:523.1 was not posted on the premises.

    b) Management's Response - We have subsequently posted the above notice on the premises and will post the above notice on our website.

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.

This report is intended solely for the information and use of the Foundation and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

Marsha D. Millican

Certified Public Accountant
July 12, 2018

Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

MANAGEMENT LETTER

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

In planning and performing my audit of the financial statements of Independence Bowl Foundation as of February 28, 2017, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I became aware of the following matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect my report dated July 17, 2017.

I will review the status of the above comment during my next engagement. I have already discussed this matter with Foundation personnel, and I will be pleased to discuss this matter in further detail at your convenience.

At February 28, 2017, the Foundation's cash deposits at banks totaled $1,049,292. Of this amount, deposits of $602,281were insured by FDIC insurance. Cash deposits of $445,281 were uninsured and at risk. Management should take steps to ensure all cash deposits are fully collateralized.

This report is intended solely for the information and use of the Board of Directors, management, state and federal cognizant agencies and is not intended to be and should not be used by any others within the organization other than these specified parties.

Marsha O. Millican

Certified Public Accountant
July 17, 2017

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