programs, events, fundraising activities, and administrative needs. Donor-restricted amounts, if any, are available only in accordance with donor stipulations.

5. Litigation and Claims:

Management has advised that there is no litigation pending against the Louisiana Sports Hall of Fame Foundation at December 31, 2023.

6. Misappropriation of Assets:

During the fiscal year ended December 31, 2024, management identified a misappropriation of Foundation assets by a former employee. The unauthorized activity occurred during the period from 2023 to 2024 and resulted in the misappropriation of approximately $127,490 across the two calendar years. Upon discovery of the matter, the Foundation immediately terminated the employee and conducted an internal review to determine the nature and extent of the unauthorized transactions. The Foundation also evaluated and strengthened certain internal control procedures designed to prevent and detect similar occurrences in the future.

The former employee made full restitution of the misappropriated funds in the amount of $127,490 during the year ended December 31, 2025. As a result, the Foundation did not incur a net financial loss related to the misappropriation.

Management believes that all known amounts associated with the matter have been recovered and that no additional losses are probable. The Foundation chose not to pursue further legal action following receipt of full restitution.

7. Subsequent Events:

Management has evaluated events through August 31, 2026, the date which the financial statements were available for issue. No items were noted beyond the Misappropriation of Assets, above, that needed to be reported as subsequent events.