

Louisiana Bar Foundation

Financial Statements

June 30, 2024

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Louisiana Bar Foundation

Year ended June 30, 2024

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LeGlue & Company, CPAs, L.L.C.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Bar Foundation
New Orleans, Louisiana

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Bar Foundation (a non-profit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information such as the schedule of compensation, benefits, and other payments to agency head; and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024, on our consideration of the 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 solely 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 the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance

Respectfully submitted,

A handwritten signature in blue ink that reads "LeGlue & Company". The signature is stylized and cursive.

LeGlue and Company, CPAs, L.L.C.
New Orleans, Louisiana
October 11, 2024

STATEMENT OF FINANCIAL POSITION

Louisiana Bar Foundation

June 30, 2024

ASSETS

Cash and cash equivalents	\$ 610,607
Investments	38,052,633
Grants receivable	1,081,284
Prepaid expenses	36,696
Promises to give	27,750
Property and equipment, net	5,056
Operating right-of-use asset	<u>193,897</u>
Total assets	<u><u>\$40,007,923</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 97,348
Grants payable	9,837,138
Accrued payroll liabilities	156,372
Other liabilities	21,395
Operating lease liabilities, net	<u>193,897</u>
Total liabilities	<u>10,306,150</u>

Net assets

Without donor restrictions	
Board designated	
Operating reserve	23,524,385
Endowments	<u>1,897,456</u>
Total without donor restrictions	<u>25,421,841</u>

With donor restrictions

Purpose restricted:	
Donor designated	4,119,683
Endowments	<u>160,249</u>

Total with donor restrictions	<u>4,279,932</u>
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Total net assets	<u><u>29,701,773</u></u>
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Total liabilities and net assets	<u><u>\$40,007,923</u></u>
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See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES

Louisiana Bar Foundation

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and other support</u>			
Contributions	\$ 24,613,497	\$ 14,420	\$ 24,627,917
Membership dues	97,768	-	97,768
Grants	5,116,784	1,000,000	6,116,784
Investment income, net	2,960,020	464,751	3,424,771
Special events	225,802	-	225,802
Gifts in-kind	24,783	-	24,783
Other income	30,488	-	30,488
Net assets released from restrictions	1,004,990	(1,004,990)	-
Total revenue and other support	<u>34,074,132</u>	<u>474,181</u>	<u>34,548,313</u>
<u>Expenses</u>			
Programs	19,966,220	-	19,966,220
Supporting services:			
General and administrative	840,157	-	840,157
Fundraising and membership expenses	<u>1,174,151</u>	<u>-</u>	<u>1,174,151</u>
Total expenses	<u>21,980,528</u>	<u>-</u>	<u>21,980,528</u>
Change in net assets	12,093,604	474,181	12,567,785
Net assets - beginning of year	<u>13,328,237</u>	<u>3,805,751</u>	<u>17,133,988</u>
Net assets - end of year	<u>\$ 25,421,841</u>	<u>\$ 4,279,932</u>	<u>\$ 29,701,773</u>

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Louisiana Bar Foundation

Year ended June 30, 2024

	Program	General and Administrative	Fundraising and Membership	Total
Salaries	\$ 817,931	\$ 327,173	\$ 490,759	\$ 1,635,863
Payroll taxes and employee benefits	190,549	76,220	114,329	381,098
Total salaries and related expenses	1,008,480	403,393	605,088	2,016,961
Grant payments	18,666,621	-	-	18,666,621
Advertising, marketing, and outreach	26,747	-	80,242	106,989
Bank charges	5,611	2,244	3,366	11,221
Information technology	93,089	37,235	55,853	186,177
Insurance	-	21,861	-	21,861
Lease expense	51,730	20,692	31,038	103,460
Travel and related expenses	54,498	21,799	32,698	108,995
Miscellaneous expenses	673	270	109,187	110,130
Professional fees and services	54,828	229,551	32,897	317,276
Repairs and maintenance	-	839	-	839
Special events	-	-	221,415	221,415
Meetings and office supplies	-	87,791	-	87,791
Professional development	-	12,904	-	12,904
Utilities	3,943	1,578	2,367	7,888
Total	<u>\$ 19,966,220</u>	<u>\$ 840,157</u>	<u>\$ 1,174,151</u>	<u>\$ 21,980,528</u>

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Louisiana Bar Foundation

Year ended June 30, 2024

Cash flows from operating activities

Change in net assets	\$ 12,567,785
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,348
Unrealized gain on investments	(2,813,386)
Realized loss on investments	44,608
Bad debt expense	108,782
Decrease (increase) in operating assets:	
Grants receivable	(1,025,333)
Promises to give	81,033
Other receivables	1,026
Prepaid expenses	(14,552)
Increase (decrease) in operating liabilities:	
Accounts payable	97,348
Grants payable	2,888,996
Accrued payroll liabilities	55,825
Other liabilities	15,470

Net cash provided by operating activities	12,008,950
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Cash flows from financing activities

Purchases of investments	(15,403,389)
Sales and maturities of investments	3,396,882

Net cash used in financing activities	(12,006,507)
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<u>Net increase in cash and cash equivalents</u>	2,443
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<u>Cash and cash equivalents, beginning of year</u>	608,164
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<u>Cash and cash equivalents, end of year</u>	\$ 610,607
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See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Louisiana Bar Foundation

Year ended June 30, 2024

Note 1

Summary of Significant Accounting Policies

Nature of Activities

The Louisiana Bar Foundation (the “Foundation”) is a non-profit organization whose objectives and purposes are to promote study and research in the field of law, to publish and distribute literary works on legal subjects, and to administer the collection and disbursement of interest on Lawyer’s Trust Accountants (IOLTA) funds.

Interest on Lawyer’s Trust Accounts (IOLTA) is a unique and innovative method to increase access to justice for individuals and families living in poverty. Without taxing the public, and at no cost to the lawyers or their clients, interest from IOLTA funds is pooled to provide civil legal aid to the poor and to support improvements to the justice system.

Method of Accounting and Financial Reporting Framework

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

Basis of Presentation

The financial statements are presented in accordance with FASB Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under the provisions of ASC 958-210-50-3, The Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net assets with donor restrictions: The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1
(Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable are stated as unpaid balances. No allowance for doubtful accounts is recognized based on the nature of the grants receivable. Grants receivable are considered unpaid if full principal payments are not received in accordance with the contractual terms.

Promises to Give

The Foundation has received pledges from supporting law firms and individuals, which are restricted to the Foundation's board designated endowment campaign. These pledges are payable to the Foundation upon donor demise. Management believes that all promises to give are collectible as of June 30, 2024 and thus no allowance has been established.

Investments

Investments are stated at fair value. Gains and losses on investments are reported on the statement of activities as increases or decreases in net assets. Dividend, interest and other investment income are reported in the period earned in the statement of activities as increases in net assets. Investment return is presented net of investment fees.

The Foundation discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Investments are recorded at fair value on a recurring basis. Nonrecurring fair value adjustments, if any, would typically involve donated property and equipment. There were no material nonrecurring fair value adjustments in 2024. The three levels of the fair value hierarchy are described below:

Level 1: Lies at the top of the hierarchy. Inputs are quoted prices in active markets.

Level 2: Inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3: Inputs are unobservable and require the entity to develop its own assumptions.

For assets that are measured at fair value on a recurring basis in periods after initial recognition, there were no transfers between Levels 1 and 2, or transfers into and out of Level 3 in 2024. If such transfers were to occur, they would be recognized as of the actual date of the event.

Note 1
(Continued)

No level 3 inputs were used by the Foundation during 2024.

The Foundation's measurements of fair value are made on a recurring basis, and their valuation techniques (no changes in 2024) for assets and liabilities recorded at fair value are as follows:

Stocks, Corporate Fixed Income, Government Securities, and Mutual Funds – value at quoted market prices which approximated fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Property and Equipment and Depreciation

Acquisitions, renewals, and betterments of \$5,000 or more are capitalized and stated at cost. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the asset. Estimated useful lives for property and equipment range from three (3) to seven (7) years.

Grants Payable

The Foundation makes grants to various agencies in accordance with the Foundation's purpose. Grants are recorded as an expense after the Board of Director's approval if they are unconditional or if the conditions have been substantially met.

Revenue Recognition

Grants and Contributions

Grants and contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Contributions with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished in the reporting period in which the revenue is recognized.

Note 1
(Continued)

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Foundation also receives support in the form of grants from federal and state sources, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures or met requirements in compliance with specific contract or grant provisions.

Special Events

The Foundation receives revenue from publications and dinners. A portion of the revenue is recognized as a contribution at the time of the ticket purchase. These amounts are reported to the donor as tax-deductible when received. The remainder of the revenues are recognized when the event takes place as the event is the relevant performance obligation.

Membership Dues

The Foundation receives revenue from dues received from participating members that are recognized as revenue without donor restrictions in the applicable membership period.

Leases

The Foundation applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Foundation determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The Foundation's lease contracts may include extension and termination options. The Foundation applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, the Foundation reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Note 1
(Continued)

The Foundation is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Foundation generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the initial direct costs incurred by the lessor related to the leased assets is not available.

The Foundation determines the incremental borrowing rate of each lease by estimating the credit rating of the Foundation at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Foundation have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation's evaluation as of June 30, 2024 revealed no tax positions that would have a material impact on the financial statements. The Foundation remains subject to examination by tax authorities for all years subsequent to 2019. The Foundation does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Date of Management Review

Subsequent events have been evaluated through October 11, 2024, which is the date the financial statements were available to be issued.

Note 2

Liquidity and Availability of Financial Assets

Financial assets available at year end and available to meet cash needs for general expenditures within one year of June 30, 2024 was \$39,772,274. No amounts were not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

The Foundation's liquidity management plan allows for an investment of cash in excess of daily requirements in stocks, corporate fixed income, government securities, and mutual funds.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note 6, the Foundation has assets held in board designated investments which are in excess of amounts needed for daily cash requirements. Although the Foundation does not intend to spend from its assets held in the board designated investments, amounts from assets could be made available if necessary.

Note 3

Investments and Fair Value Measurements

The fair value of assets measured as of June 30, 2024 were as follows:

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 20,400,186	\$ -	\$ -	\$ 20,400,186
Corporate fixed income	-	10,471,188	-	10,471,188
Cash equivalents	7,181,259	-	-	7,181,259
Investments at fair value	<u>\$ 27,581,445</u>	<u>\$ 10,471,188</u>	<u>\$ -</u>	<u>\$ 38,052,633</u>

Investment income consists of the following as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 677,894	\$ 103,684	\$ 781,578
Investment fees	(109,103)	(16,075)	(125,178)
Realized loss on sale of investments	(44,610)	-	(44,610)
Unrealized gain on investments	2,435,839	377,142	2,812,981
Investment income, net	<u>\$ 2,960,020</u>	<u>\$ 464,751</u>	<u>\$ 3,424,771</u>

Note 4

Property and Equipment and Depreciation

Property and equipment of the Foundation consisted of the following as of June 30, 2024:

Property and equipment	\$ 93,658
Less: accumulated depreciation	<u>(88,602)</u>
Property and equipment, net	<u><u>\$ 5,056</u></u>

Depreciation expense was \$1,348 for the year ended June 30, 2024.

Note 5

Restrictions on Net Assets

Net assets with donor restrictions consisted of the following as of June 30, 2024:

Endowment funds, with donor restrictions	\$ 160,249
Donor designated	<u>4,119,683</u>
Net assets with donor restrictions	<u><u>\$4,279,932</u></u>

Note 6

Board Designations

The policy of the Board of Directors of the Foundation is to review plans for future programs, investment, contingencies, purchase or construction of fixed assets, and other uses from time to time. The policy also allows for the designation of appropriate sums of net assets without donor restrictions to ensure adequate financing. As of June 30, 2024, the Foundation had board-designated funds totaling \$25,421,841.

Note 7

Endowments

The Foundation's endowment consists of six individual funds established for a variety of purposes. Its endowments include both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions using (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 7
(Continued)

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies, approved by the Board of Directors. For endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in well-diversified asset mix, which includes equity and debt securities. The Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy

The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The foundation expects the current spending policy to allow its endowment funds to grow at an average rate of 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). As of June 30, 2024, the Foundation did not have any endowment funds that were underwater.

Note 7
(Continued)

Changes in endowment net assets as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets - beginning of fiscal year	\$ 1,821,072	\$ 97,850	\$ 1,918,922
Contributions	152,984	-	152,984
Investment income	39,724	2,829	42,553
Net appreciation	207,270	12,170	219,440
Transfers in	-	47,400	47,400
Amounts appropriated for expenditures	(323,594)	-	(323,594)
Endowment net assets - beginning of fiscal year	<u>\$ 1,897,456</u>	<u>\$ 160,249</u>	<u>\$ 2,057,705</u>

Note 8
Concentration of Credit Risk

The Foundation maintains cash and investment balances with financial institutions. The Federal Deposit Insurance Corporation (FDIC) ensures the accounts held at member institutions up to \$250,000. As of June 30, 2024, the Foundation's cash balances exceeded FDIC insurance by \$551,208. The Securities Investor Protection Corporation (SIPC) insures accounts at each member institution up to \$500,000. The balances of cash and investments held by investment brokerage firms exceeded SIPC insurance by approximately \$34,000,000 as of June 30, 2024. The Foundation has not experienced any losses in these accounts and management believes they are not exposed to any significant credit risk.

Revenue from two sources represent 86% of total revenue for the year ended June 30, 2024.
Revenue from one grantor represents 90% of total revenue for the year ended June 30, 2024.

Contributions receivable from two grantors represent 100% of total contribution receivables as of June 30, 2024.

Note 9
Retirement Plan

The Foundation sponsors a retirement arrangement covering substantially all employees of the Foundation. The Foundation decides the amount, if any, to contribute each year to the SEP-IRA accounts for eligible employees. The contribution percentage (10%) of salary remained unchanged from the prior year. The Foundation's contributions to the plan totaled \$107,312 for the year ended June 30, 2024. Contributions to the retirement arrangement are included in the Payroll taxes and employee benefits line item on the statement of functional expenses.

Note 10

Lease Obligations

The Foundation entered into a lease agreement for office space commencing on July 1, 2018. The lease expires January 31, 2022 unless terminated early in accordance with the lease agreement. On December 28, 2020, the lease was extended for an additional 60 months commencing April 1, 2021 and ending on March 31, 2026. Total rent expense under the operating lease was \$103,460 for the year ended June 30, 2024.

Leases Under ASC 842

Effective July 1, 2022, the Foundation adopted FASB 842, *Leases* (the Standard). The Standard establishes a right-of-use (ROU) model that requires a lessee to record a right-of-use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

In association with the adoption of FASB 842, the Foundation elected to adopt the risk-free discount rate to calculate the lease asset and liability.

Future maturity analysis of operating lease liabilities for the next five years and thereafter are as follows:

2025	\$	104,601
2026		92,257
Less: imputed interest		<u>(2,961)</u>
Total	\$	<u>193,897</u>

The weighted average remaining lease term was 1.75 years and the weighted averaged discount rate was 2.43%.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO EXECUTIVE DIRECTOR

Louisiana Bar Foundation

Year ended June 30, 2024

Agency Head Name: Donna Cuneo, Executive Director

	<u>Total</u>
Salaries	\$ -
Benefits - health insurance	-
Benefits - retirement	-
Deferred compensation	-
Workers compensation	-
Benefits - life insurance	-
Benefits - long term disability	-
Benefits - FICA and Medicare	-
Benefits - unemployment insurance	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	<u>-</u>
Total	<u>\$ -</u>

There were no payments for the benefit of the Executive Director that were derived from the public funds (state and / or local government funds and / or federal funds passed through a state or local government agency) that the Foundation received.

See independent auditors' report.

LeGlue & Company, CPAs, L.L.C.

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*

Board of Directors of
Louisiana Bar Foundation
New Orleans, Louisiana

We have audited 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, the financial statements of Louisiana Bar Foundation (a non-profit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2024, 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 October 11, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing 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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation 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 Foundation'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 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 our audit, we did not identify any 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 the 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "LeGlue & Company". The signature is stylized and cursive.

LeGlue and Company, CPAs, L.L.C.
New Orleans, Louisiana
October 11, 2024

LeGlue & Company, CPAs, L.L.C.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Directors of
Louisiana Bar Foundation
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Louisiana Bar Foundation's (a non-profit organization) (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2024. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "LeGlue & Company". The signature is stylized and cursive.

LeGlue and Company, CPAs, L.L.C.
New Orleans, Louisiana
October 11, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Louisiana Bar Foundation

Year ended June 30, 2024

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Entity Number</u>	<u>Activity</u>
<u>U.S. Department of Health and Human Services</u>			
<u>Pass-through program from:</u>			
<u>State of Louisiana Department of Children and Family Services</u>			
Foster Care Title IV-E	93.658	N/A	<u>787,731</u>
Total Expenditures of Federal Awards			<u>\$ 787,731</u>

Louisiana Bar Foundation did not pass through any amounts to sub-recipients.

See accompanying notes to the schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Louisiana Bar Foundation

Year ended June 30, 2024

Note 1

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Louisiana Bar Foundation (a non-profit organization) (the “Foundation”) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation. The Foundation is defined in Note 1 to the financial statements for the year ended June 30, 2024. All federal awards received directly from federal agencies are included on the Schedule, as well as federal awards passed-through other government agencies, as applicable.

Note 2

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Foundation’s financial statements for the year ended June 30, 2024. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

Note 3

De Minimis Cost Rate

During the year ended June 30, 2024, the Foundation elected to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Louisiana Bar Foundation

Year ended June 30, 2024

Section I – Summary of Independent Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified opinion

Internal control over financial reporting:

a. Material weakness(es) identified? No

b. Significant deficiency(ies) identified that are
not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major program:

c. Material weakness(es) identified? No

d. Significant deficiency(ies) identified that are
not considered to be material weakness(es)? None reported

Type of auditors’ report issued on compliance for major program: Unmodified opinion

Any audit findings which are required to be reported under the
Uniform Guidance? No

Identification of major program:

United States Department of Health and Human Services
Foster Care Title IV-E 93.658

Dollar threshold used to distinguish between Type A and
Type B programs: \$750,000

Auditee qualified as low-risk auditee under Section 530
of the Uniform Guidance: No

Section II – Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:

None reported.

Section III – Findings and Questioned Costs Relating to Federal Awards:

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Louisiana Bar Foundation

Year ended June 30, 2024

Section I – Findings Related to the Financial Statements

2023-001 – Incomplete Year-End Close Procedures – Material Weakness

Summary of prior audit finding:

Year-end accruals did not include the recording of grant receivables and revenue and grants payable and expenses which caused grant receivables, revenues, payables, and expense to be understated. The understatement of these balances caused year-end net asset rollforwards and reconciliations to not be complete and accurate.

Status:

Corrective action was taken and this matter has been resolved.

Section II – Federal Awards Findings and Questioned Costs

There were no federal awards findings reported for the year ended June 30, 2023.

LeGlue & Company, CPAs, L.L.C.

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October 11, 2024

Independent Accountants' Report on Applying Agreed-Upon Procedures

For the year ended June 30, 2024

Board of Directors
Louisiana Bar Foundation
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2023 through June 30, 2024. Louisiana Bar Foundation's (the "Foundation") management is responsible for those C/C areas identified in the SAUPs.

The Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*No exception noted*". If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

No exceptions noted.

- ii. **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.

No exceptions noted.

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

The policy addresses the Foundation's process and procedures. The Foundation has made some minor changes to this process and has not updated their written policy and procedures to address these changes.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The policy addresses the Foundation's process and procedures. The Foundation has made some minor changes to this process and has not updated their written policy and procedures to address these changes.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Ethics is not applicable as the Foundation is a non-profit organization.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Foundation does not have a debt service policy, as they do not incur debt.

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions noted.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The sexual harassment statutes are not applicable to the Foundation.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

No exceptions noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 5 bank accounts. Management identified the Foundation's main operating account. No exceptions were noted as result of performing this procedure.

From the listing provided, we obtained the bank reconciliations for one month from the fiscal period, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Reconciliations are reviewed and signed off, but the date of the review was not documented.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Not applicable.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of one deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected one deposit site and performed the procedures below.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure A was provided and included a total of one collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Foundation's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

No exceptions noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected deposits for the operating account selected in procedure #3A. We obtained supporting documentation for each of the deposits and performed the procedures below:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the only location and performed the procedures below.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected at procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Foundation's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Three employees have access to add / modify vendors. There is no employee responsible for reviewing changes to vendor files.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

A listing of non-payroll disbursements for each payment processing location selected in procedure #5A above was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we randomly selected 5 cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We selected 10 transactions for each of the 5 cards selected in procedure #7B and performed the specified procedures. No exceptions were noted as a result of performing these procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

A listing of all agreements / contracts that were initiated or renewed during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Not applicable. All contracts selected were for professional services.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Not applicable.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees employed during the fiscal period was provided. No elected officials employed. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees and performed the specified procedures. No exceptions were noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected one pay period during the fiscal period and performed the procedures below for the 5 employees selected in procedure #9A above.

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees and performed the specified procedures. No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Ethics is not applicable as the Foundation is a non-profit organization.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Ethics is not applicable as the Foundation is a non-profit organization.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Ethics designee is not applicable as the Foundation is a non-profit organization.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable as the Foundation does not incur debt.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable as the Foundation does not incur debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Foundation did not report any misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment

We performed the procedure and discussed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The sexual harassment statutes are not applicable to the Foundation.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The sexual harassment statutes are not applicable to the Foundation.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

The sexual harassment statutes are not applicable to the Foundation.

- ii. Number of sexual harassment complaints received by the agency;

The sexual harassment statutes are not applicable to the Foundation.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

The sexual harassment statutes are not applicable to the Foundation.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The sexual harassment statutes are not applicable to the Foundation.

- v. Amount of time it took to resolve each complaint.

The sexual harassment statutes are not applicable to the Foundation.

We were engaged by the Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

October 11, 2024

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This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control and compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Very truly yours,

A handwritten signature in blue ink that reads "LeGlue & Company". The signature is written in a cursive, flowing style.

LeGlue & Company, CPAs, L.L.C.



LOUISIANA BAR
FOUNDATION
FUNDING CIVIL LEGAL AID

October 11, 2024

Louisiana Legislative Auditor

Louisiana Bar Foundation respectfully submits the following corrective action plan for items identified pursuant to the agreed-upon procedures in accordance with Statewide Agreed-Upon Procedures.

Name and address of independent public accounting firm:

LeGlue & Company, CPAs, LLC
1100 Poydras St, Suite 2850
New Orleans, LA 7016

Engagement Period: July 1, 2023 – June 30, 2024

The exceptions from the statewide agreed-upon procedures report are discussed below:

Written Policies and Procedures

Exception: The disbursements policy addresses the Foundation's processes and procedures. The Foundation has made some minor changes to these processes and has not updated its written policies and procedures to address these changes.

Exception: The receipts/collections policy addresses the Foundation's processes and procedures. The Foundation has made some minor changes to these processes and has not updated its written policies and procedures to address these changes.

Bank Reconciliations

Exception: Bank reconciliations are reviewed and signed up, but the date of the review was not documented.

Management's Response to Exceptions: The written policies and procedures are currently undergoing a review process to ensure current processes and procedures are appropriately included. Management has taken corrective action over documenting the date of review on bank reconciliations.

If there are any questions regarding this plan, please contact Laura Sewell, CEO/Executive Director, at (504)-561-1046.

Sincerely,

Laura Sewell, CEO/Executive Director