



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS**

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated March 25, 1996.

We have also audited the compliance of the Foundation with the requirements governing types of services allowed or unallowed, matching, financial reports and claims for advances and reimbursements, and amounts claimed or used for matching, that are applicable to its major federal award programs which are identified in the accompanying Schedule of Federal Awards, for the year ended December 31, 1995. The management of the Foundation is responsible for the Foundation's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material non-compliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Foundation complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to its major programs for the year ended December 31, 1995.

A Professional Accounting Corporation

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International affiliation with accounting firms worldwide, Inc.

This report is intended for the information of the Board of Directors, Audit Advisory Committee and Management of LAKE CHARTRAIN BASIN FOUNDATION, the Environmental Protection Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ho, Pitts, Smith, Young & Stone

A Professional Accounting Corporation

March 25, 1996



**INDEPENDENT AUDITORS' REPORT
IN COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO NONMAJOR FEDERAL AWARD PROGRAM TRANSACTIONS**

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated March 23, 1996.

In connection with our audit of the financial statements of the Foundation and with our consideration of the Foundation's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions", we selected certain transactions applicable to certain nonmajor federal programs for the year ended December 31, 1995.

As required by OMB Circular A-133, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than are usual, the objective of which is the expression of an opinion on the Foundation's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Foundation had not complied, in all material respects, with these requirements.

This report is intended for the information of the Board of Directors, Audit Advisory Committee and management of the LAKE PONTCHARTRAIN BASIN FOUNDATION, the Environmental Protection Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ray A. Hite, Robert A. King & Sons
A Professional Accounting Corporation

March 23, 1996

A Professional Accounting Corporation
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55 JUL 28 AM 1984



LAKE PONCHARTRAIN BASIN FOUNDATION

December 31, 1985

Audit of Financial Statements

December 31, 1985

and

December 31, 1984

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-31-86



March 22, 1996

Lake Pontchartrain Basin Foundation
Audit Advisory Committee
Lafayette 3, Suite 821
1900 W. Conaway Blvd
Metairie, LA 70009-6995

Ladies and Gentlemen:

We wish to thank you and the staff for the cooperation given us during our engagement with Lake Pontchartrain Basin Foundation. In planning and performing our audit of the financial statements of Lake Pontchartrain Basin Foundation for the year ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a suitably low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters which we consider to be material weaknesses in the internal control structure. However, we noted certain other matters which we would like to bring to your attention. This letter does not affect our report dated March 22, 1996 on the financial statements of the Lake Pontchartrain Basin Foundation.

FIXED ASSETS:

Observation

During our audit, it was discovered that management does not have a clear policy regarding the capitalization of fixed assets. As a result, all fixed asset purchases were expensed rather than capitalized. Furthermore, there was no detailed schedule indicating which assets had been expensed or disposed of during the year or to what accounts these items had been expensed.

A Practitioner and Accounting Group notice

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Recommendation

To reduce administrative time and accounting costs, a formal written policy should be established to capitalize property and equipment only if the cost is greater than a selected dollar amount (i.e. \$750). Total costs to be capitalized should include costs incurred for placing the asset into working order (i.e. installation, training, labor).

The policy for the capitalization of fixed assets should be communicated to the accounting staff. As assets are purchased and capitalized, they should be added to a detailed fixed asset schedule. Donated materials or fixed assets should be recorded at their fair value when received. It is important to reflect general ledger control of these assets.

Supporting documentation for both fixed asset additions and deletions should be kept in a separate file along with the detailed fixed asset schedule. This will increase efficiency in recording fixed asset accounts.

BOARD OF DIRECTORS MINUTES

Observation

Referring information read in the Board of Directors minutes to financial information is a basic audit procedure. While reading the Foundation's minutes, we noticed that some grants received were not mentioned.

Recommendation

Since grants are a major source of funding for the Foundation, discussion should be noted in the minutes that the Board is aware of these receipts as well as when and how they will be spent. The Board should be informed, preferably before a transaction occurs, when investments are acquired or disposed of through donation, purchase or sale, or when any significant financial event occurs. It is important that this discussion be noted in the minutes to show that the Board is informed about the operations of the Foundation.

We appreciate the confidence you have placed in us by allowing us to serve Lake Park Lutheran Home Foundation as your Certified Public Accountants. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional studies of these matters, or to assist you in implementing the recommendations.

Sincerely,

LaFORTE, SPIETH, HEMIG & HAYD
A Professional Accounting Corporation



Frank H. Carlson, Jr.
Certified Public Accountant

FHC/pfkm



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To the Board of Directors of
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

Independent Auditor's Report

We have audited the accompanying balance sheets of **LAKE PONTCHARTRAIN BASIN FOUNDATION** (a non-profit organization) as of December 31, 1995 and 1994, and the related statements of support, revenue, and expenses and changes in fund balance, and changes in financial position for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, *Governance Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **LAKE PONTCHARTRAIN BASIN FOUNDATION** as of December 31, 1995 and 1994, and the results of its operations and the changes in its financial position for the years then ended in conformity with generally accepted accounting principles.

A Professional Accounting Corporation

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has no financial relationship with Accounting Firm Associated, Inc.

As discussed in Note A, LAKE PUNTSCHAGHRAIN BASIN FOUNDATION, adopted Statement of Financial Accounting Standard (SFAS) 937 in 1999.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Schedules I, II, III, IV, V and VI presented on pages 14, 15, 16, 17, 18 and 19 respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lo, Hilly, Lohr, Long & Kim

A Professional Accounting Corporation

March 23, 1996

**LAKE PONTCHARTRAIN BASIN FOUNDATION
BALANCE SHEETS**

ASSETS

	December 31,	
	1995	1994
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 198,734	\$ 282,153
Restricted Cash	67,699	21,271
Investments	151,839	-
Prepaid Assets	3,714	2,684
Grant Receivable	<u>18,365</u>	<u>15,885</u>
Total Current Assets	<u>350,351</u>	<u>321,993</u>
PLANT AND EQUIPMENT		
Office Furniture and Equipment, Net	<u>39,191</u>	<u>23,125</u>
OTHER ASSETS		
Deposits	<u>1,805</u>	<u>1,685</u>
Total Other Assets	<u>1,805</u>	<u>1,685</u>
Total Assets	<u>\$ 421,377</u>	<u>\$ 345,683</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES		
Accounts Payable	\$ 35,782	\$ 5,810
Accrued Liabilities	13,788	11,993
Deferred Revenues	<u>48,721</u>	<u>25,815</u>
Total Current Liabilities	<u>98,141</u>	<u>43,618</u>
FUND BALANCE		
Unrestricted	288,857	286,147
Restricted		
Restricted - Federal Programs	18,682	18,771
Restricted - Endowment Fund	2,580	-
Restricted - Other	<u>18,267</u>	<u>18,138</u>
Total Fund Balance	<u>328,286</u>	<u>323,056</u>
Total Liabilities and Fund Balance	<u>\$ 421,377</u>	<u>\$ 345,683</u>

See accompanying notes to financial statements.

**LAKE POSITIVE/ARTRAY BASIN FOUNDATION
STATEMENTS OF SUPPORT, REVENUE, EXPENSES
AND CHANGES IN FUND BALANCE**

	For The Years Ended	
	December 31,	
	1991	1992
SUPPORT AND REVENUE		
Donations	\$ 25,606	\$ 29,283
Donated Services	65,553	18,285
Donated Use of Office Space	22,816	22,816
Donated Furniture	-	2,285
Fund Raising Events, Net	97,279	102,205
Grants:		
EPA - Comprehensive Management Plan	57,118	100,419
EPA - Stormwater Treatment Project	32,882	38,856
EPA - Johnson Basin Cleanup	534,605	508,122
Reggie Valdes Monitoring	-	13,628
Other - Restricted	24,259	68,975
Program Reimbursement	3,488	2,732
Interest Income	13,824	3,087
Memberships	22,468	21,530
Merchandise Sales	345	932
	<u>980,743</u>	<u>1,132,840</u>
EXPENSES		
Program Services:		
Environmental Education	94,933	98,185
Scientific and Field Research	643,142	340,288
	<u>738,075</u>	<u>438,473</u>
Supporting Services:		
Fund Raising	33,132	4,812
Management and General	182,179	186,535
Membership Promotions	2,941	2,848
	<u>218,252</u>	<u>194,215</u>
Total Expenses	<u>956,327</u>	<u>632,688</u>

See accompanying notes to financial statements.

**LAKE PONTCHARTRAIN BASIN FOUNDATION
STATEMENTS OF SUPPORT, REVENUE, EXPENSES
AND CHANGES IN FUND BALANCE (Continued)**

	For The Years Ended	
	December 31,	
	<u>1995</u>	<u>1994</u>
OTHER INCOME AND EXPENSES		
Gain on Sale of Stocks	158	-
Loss on Disposition of Equipment	<u>(188)</u>	<u>-</u>
Total Other Income and Expenses	<u>_____</u>	<u>_____</u>
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	<u>25,212</u>	<u>25,212</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	309,076	241,036
FROM PERIOD ADJUSTMENT	<u>_____</u>	<u>23,787</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>309,076</u>	<u>264,823</u>
FUND BALANCE, END OF YEAR	<u>\$ 334,288</u>	<u>\$ 309,076</u>

See accompanying notes to financial statements.

**LAKE PONCHARTRAIN BASIN FOUNDATION
STATEMENTS OF CHANGES IN FINANCIAL POSITION**

	For The Years Ended December 31,	
	1992	1991
Financial Resources Provided by:		
Excess of Support and Revenue Over Expenses	\$ 28,210	\$ 38,203
Items Not Affecting Working Capital:		
Depreciation	9,803	8,802
Loss on Donation of Equipment	198	-
Acquisition of Office Furniture and Equipment Through Donation	-	(2,284)
Prior Period Adjustments	-	21,387
Financial Resources Provided by Current Operations	<u>38,211</u>	<u>64,927</u>
Financial Resources Used In:		
Purchase of Office Furniture and Equipment	(15,289)	(2,353)
Total Financial Resources Used	<u>(15,289)</u>	<u>(2,353)</u>
Increase in Working Capital	<u>\$ 22,922</u>	<u>\$ 62,574</u>
Changes in the Components of Working Capital are Summarized as Follows:		
Increase (Decrease) in Current Assets:		
Cash	\$ (85,004)	\$ 94,628
Investments	151,929	-
Grant Receivable	3,718	(45,899)
Prepaid Assets	1,110	(52)
Merchandise Inventory	-	(2,878)
	<u>71,753</u>	<u>45,999</u>
(Increase) Decrease in Current Liabilities:		
Accounts Payable	(28,893)	(2,754)
Accrued Liabilities	(2,896)	(1,798)
Deferred Revenue	(28,916)	21,382
	<u>(52,610)</u>	<u>16,882</u>
Increase in Working Capital	<u>\$ 19,142</u>	<u>\$ 64,172</u>

See accompanying notes to financial statements.

**LAKE PONCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

LAKE PONCHARTRAIN BASIN FOUNDATION, (the Foundation) is a non-profit, publicly supported organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. It was established and incorporated September 18, 1988 by Act 716 of the 1988 Louisiana Legislature and pursuant to the Nonprofit Corporation Law of the State of Louisiana for the purpose of the restoration and preservation of the environmental and ecological balance of the Lake Pontchartrain Basin.

The Foundation has established goals of attaining all water quality standards of Lake Pontchartrain and its major tributaries, and the protection and restoration of the Lake Pontchartrain Basin's natural resources. The Foundation will assist and coordinate efforts with Federal, state and parish agencies to clean up and restore Lake Pontchartrain. The Foundation will also undertake programs and fund research in areas such as municipal runoff, sewage systems, industrial discharges, agricultural discharges, substrate intrusion, erosion and restoration.

BASIS OF PRESENTATION

The financial statements have been prepared on an accrual basis of accounting. Restricted funds have been established to account for those resources available for use, but expendable only for the purposes specified by the donor.

PUBLIC SUPPORT, REVENUE AND PLEDGES

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as received. Other sources of revenue include grants, contracts, sale of merchandise and fund raising events.

During 1993 and 1994, \$24,599 and \$68,975, respectively, were received as grants for the restricted purpose of sponsoring environmental programs. Expenditures of \$32,491 and \$30,820 were incurred for these programs during 1993 and 1994, respectively. Restricted Fund Balance - Other for 1993 and 1994 are \$10,267 and \$38,158, respectively.

OFFICE FURNITURE AND EQUIPMENT

The Foundation capitalizes office furniture and equipment at cost, or if donated, at fair market value at the time of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the furniture and equipment, which range from 3 to 10 years.

RECLASSIFICATIONS

Certain reclassifications of previously reported amounts have been made to conform with the 1993 presentation. Such reclassifications had no effect on the excess of support and revenue over expenses.

**LAKE PONTCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support, revenue and expenses, and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

DEFERRED REVENUE

Deferred revenue results from grants which are restricted for specific purposes. Grant revenue is recognized only to the extent that related expenses have been incurred.

USE OF ESTIMATES

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

ACCOUNTING FOR FINANCIAL INSTRUMENTS

During 1993, the Foundation adopted SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," which requires the disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate the value.

A financial instrument is defined as cash, evidence of an ownership interest in an entity, or contract that both:

- a. Imposes on one entity a contractual obligation (1) to deliver cash or another financial instrument to a second entity or (2) to exchange other financial instruments on potentially unfavorable terms with the second entity
- b. Conveys to that second entity a contractual right (1) to receive cash or another financial instrument from the first entity or (2) to exchange other financial instruments on potentially favorable terms with the first entity

Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are based on present value estimates or other valuation techniques. These derived fair values are significantly affected by assumptions used, principally the timing of future cash flows and the discount rate. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realized in an immediate sale or settlement of the instrument.

LAKE PONTECHARTRAIN BASIS FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate the value:

Cash and Short-Term Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

Stocks

Investments in stocks are carried at cost, which is the quoted market price on the date the stock was received. Fair value, as disclosed in Note I, is the published quoted market price of the security, as obtained from major national stock exchanges as of the balance sheet date.

NOTE B

DONATED SERVICES AND OFFICE SPACE

The value of donated services by volunteers is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Foundation's fund raising events. The Foundation also receives various other donated professional services which are not recorded in the accompanying financial statements since the Foundation does not control the employment and duties of the service donors. The only donated services which are recorded are those which are used for the match portion of the federal grants.

The Foundation receives various donations of services, facilities and materials the most significant of which are free use of a portion of its office facilities, parking and utilities. The rental value of these facilities, in the amount of \$22,816 for both 1995 and 1994, has been reflected in the accompanying financial statements as support and revenue with a like amount included in supporting services as management and general expenses.

The Foundation participates in a fundraising program through Volunteers of America (VOA), whereby the public may donate buses or automobiles to VOA, in the name of the Foundation. Proceeds from the sale of the donated merchandise are divided between VOA and the Foundation. The Foundation receives seventy percent of the sales price less a 25% handling fee, which VOA retains as a handling fee for acting as the agent who gets the merchandise from the donor and sells it. In 1995, the Foundation received \$858 through this program.

**LAKE PONCHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE C

OFFICE FURNITURE AND EQUIPMENT

Office furniture and equipment, at cost, and related accumulated depreciation at December 31, 1995 and 1994 are summarized as follows:

	1995	1994
Computer Equipment	\$ 35,484	\$ 35,152
Boat and Boat Parts	4,198	-
Office Furniture	30,004	11,783
	39,686	46,935
Less: Accumulated Depreciation	20,453	23,800
	\$ 19,233	\$ 23,135

Depreciation expense for 1995 and 1994 was \$8,033 and \$8,812, respectively.

NOTE D

RESTRICTED CASH

In accordance with the EPA grant agreements, the Foundation is required to maintain separate checking accounts in which the use is restricted to the purposes of the grants.

Restricted cash also includes \$2,500, which represents the restricted portion of the endowment fund cash account. The remaining \$757 of the endowment fund is classified as unrestricted cash.

NOTE E

LEASE COMMITMENT

The Foundation occupies space under an operating lease which expires September 30, 1996. The future minimum payments is \$11,734 for 1996.

Rent expense was \$15,886 and \$16,718 for the years ended December 31, 1995 and 1994, respectively.

**LAKE PONTECHARTRAIN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE F

FUND RAISING EVENTS

The Foundation holds various fund raising events. Related expenses totaling \$105,453 and \$108,343 are netted in the fund raising events revenues reported as \$87,279 and \$102,203 for the years ended December 31, 1995 and 1994, respectively.

NOTE G

PENSION PLAN

The Foundation has a 401k pension plan in effect at December 31, 1995 and 1994. The plan does not receive contributions from the Foundation. It receives contributions solely from the employees by means of a payroll deduction.

NOTE H

INDIRECT COST

Included in the EPA grant revenue is the indirect cost allocation. The amount included in the 1995 revenue is \$75,855 and the amount included in the 1994 revenue is \$45,316.

NOTE I

INVESTMENTS

Investments are carried at cost, which approximates fair value. Investments held by the Foundation as of December 31, 1995 are as follows:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Bills	\$ 158,246	\$ 158,382
Investment in Common Stock - Various Companies	<u>1,683</u>	<u>1,596</u>
	<u>\$ 160,929</u>	<u>\$ 160,978</u>

NOTE J

CONCENTRATION OF RISK

The Foundation has a concentration in the volume of business transacted with the Environmental Protection Agency (EPA). The majority of the Foundation's support is received from EPA grants. In 1995 76% of total support and revenue was derived from EPA grants. In 1994, that amount was 56%.

**LAKE PONTCHEATRAN BASIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE B

PRIOR PERIOD ADJUSTMENT

The accompanying financial statements for 1994 have been restated to correct two errors which occurred in 1991 and 1992. The first adjustment recognized income on IPAs grants which was not recognized in either 1991 or 1992. The second adjustment reversed the endowment fund as an asset, which had been erroneously expensed in 1991. Fund balance at the beginning of 1994 has been adjusted for the effects of the restatement on prior years.

SUPPLEMENTARY INFORMATION

**LAKE PONCHARTRAIN BASIN FOUNDATION
SUPPLEMENTARY INFORMATION**

**SCHEDULE I
ENVIRONMENTAL EDUCATION EXPENSES**

	For The Years Ended December 31,	
	1993	1994
Educational Expenditures - Restricted		
Educational Video Expense	\$ 11,315	\$ -
Turtle Cross Expenditures	9,530	11,386
Canal Marking	6,996	18,808
Educational Project and Video	3,668	17,113
Teach's Volunteer	2,133	-
JR Field Trip	1,423	-
Talent-In-The-Arts	-	8,475
TUM	-	3,849
Bookazines	9,188	388
Newsletter	6,326	1,896
Class Room	2,028	1,524
Newsletters	784	-
Seminars and Conferences	493	524
General Travel Expense	236	222
Accomd	111	684
Automobile Mileage Reimbursement	29	36
Printing	32	-
Contract Services	-	78
Travel	-	2
Airfare	-	-
Utilities	-	3,916
Conference Rooms	-	-
Total	<u>\$ 54,182</u>	<u>\$ 55,103</u>

**LAKE FRONT RESEARCH BASIS FOUNDATION
SUPPLEMENTARY INFORMATION**

**SCHEDULE II
SCIENTIFIC AND FIELD RESEARCH EXPENSES**

	For The Years Ended December 31,	
	1988	1989
Lagoon Construction	\$ 89,810	\$ 37,500
Temporary Supply M	85,800	-
Program Director	58,550	57,700
St. Bernard's Water M	32,900	-
ISLAND	32,900	-
Invasive Species	55,189	27,985
Education Coordinator	57,675	56,311
Green Planning (GMP)	24,159	21,968
Environmental Director	21,286	15,155
Staff Educational Resources	20,613	2,882
Program Office Manager	18,419	22,179
Boat	15,986	16,718
Boat Fuel	14,811	12,321
Project Coordinator	13,713	8,671
Educational Assistant	14,772	2,888
Maps, Books and Publications	9,295	1,800
Program Manager	7,500	-
Anticorrosive Milings Reclamation	6,880	3,643
Boat Services	6,279	5,499
Office Professional Services	5,851	1,680
Administrative Assistant	5,815	1,811
Telephone and Telegraph	5,586	4,796
Reproduction	4,810	3,680
Educational Supplies	4,354	3,380
Contract Services	3,000	-
Lake Monitoring	2,760	1,202
Accounting	2,680	2,730
Miscellaneous Supplies	2,348	1,580
Newsletter	2,016	2,211
Postage	1,899	987
Printing	1,900	326
Other	1,887	1,119
General Travel Expense	1,680	1,680
Project Assistant	1,414	-
Land Watch	1,386	-
Meeting Rooms	1,200	479
Student's Compensation Income	1,273	1,429
Supplies (OFF)	1,043	3,034
Income - General	1,013	993
Office Supplies	683	2,468
Recreation	584	-
Seminars and Conferences	415	441
Miscellaneous	40	3,688
Boat Fuel Monitoring	-	11,428
Future Lake Research	-	15,000
Computer Consultant	-	888
General Services	80,200	18,200
Total	\$ 1,403,142	\$ 311,200

**LAKE PONTCHARTRAIN BASIN FOUNDATION
SUPPLEMENTARY INFORMATION**

**SCHEDULE IV
MANAGEMENT AND GENERAL EXPENSES**

	For The Years Ended December 31,	
	2007	2006
Executive Director	\$ 24,782	\$ 24,520
Donated Use of Office Facilities	22,805	22,816
Office Manager	21,996	20,808
Environmental Director	20,484	25,809
Administrative Assistant	18,000	15,379
Telephone and Telegraph	8,526	11,871
General Counsel	8,942	3,324
Payroll Taxes	7,782	7,373
Project Coordinator	6,203	7,908
Group Insurance	4,834	4,311
Depreciation	4,623	5,726
Postage and Federal Expense	3,696	3,152
Accounting	3,638	4,586
Office Supplies	3,076	3,821
Auditing	2,706	5,180
Memberships/Office Expenses	2,598	2,483
Bank Charges	2,288	2,487
Auto Mileage	2,034	4,088
Insurance - General	2,007	2,839
Copier Maintenance	1,214	2,035
Subscriptions and Fees	1,453	1,324
Staff Educational Expenses	1,390	509
Computer Maintenance	1,234	514
Parking	1,170	1,328
Workers' Compensation Insurance	889	1,005
Printing	532	936
Travel	494	384
Licenses and Taxes	367	468
Airfare	-	184
Computer Consultant	-	-
Other Compensation	-	668
Description Services	-	1,216
Total	<u>\$ 352,172</u>	<u>\$ 386,616</u>

LAKE PONCHARTRAIN BASIN FOUNDATION
SUPPLEMENTARY INFORMATION

SCHEDULE V
MEMBERSHIP PROMOTION EXPENSES

	For The Years Ended December 31,	
	1995	1994
Miscellaneous Expenses	\$ 2,310	\$ 1,858
Printing and Postage	305	708
News and Subscriptions	275	308
Total	<u>\$ 2,890</u>	<u>\$ 2,874</u>

**LAKE POWELL-HAUBTRAIN BASIN FOUNDATION
SUPPLEMENTARY INFORMATION**

**SCHEDULE VS
BUDGET TO ACTUAL COMPARISON**

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>
SUPPORT AND REVENUE			
Donations	\$ 23,406	\$ 60,800	\$ (34,394)
Donated Services	68,553	-	68,553
Donated Use of Office Space	22,816	-	22,816
Fund Raising Events, Not Grants	97,279	(28,800)	(122,779)
IIPA - Comprehensive Management Plan	57,130	60,605	(3,475)
IIPA - Stormwater Treatment Project	30,862	-	30,862
IIPA - Johnson Basin Cleanup	774,609	967,819	196,776
Other - Restricted	24,558	906,800	(75,441)
Program Reimbursement	3,488	-	3,488
Interest Income	13,824	5,800	8,924
Memberships	22,460	24,000	(2,440)
Merchandise Sales	345	3,780	(3,255)
Total Support and Revenue	<u>540,747</u>	<u>710,154</u>	<u>169,411</u>
EXPENSES			
Program Services:			
Environmental Education	34,185	67,080	(32,895)
Scientific and Field Research	643,142	428,424	(214,718)
Total Program Services	<u>677,327</u>	<u>495,504</u>	<u>(181,811)</u>
Supporting Services:			
Fund Raising	53,132	6,868	(46,264)
Management and General	982,579	238,445	(744,134)
Membership Promotion	2,941	16,898	(13,957)
Total Supporting Services	<u>1,038,652</u>	<u>262,211</u>	<u>(776,441)</u>
Total Expenses	<u>1,715,979</u>	<u>757,715</u>	<u>(958,264)</u>
OTHER INCOME AND EXPENSES			
Gain on Sale of Stocks	158	-	158
Loss on Donation of Equipment	(158)	-	(158)
Total Other Income and Expenses	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	<u>\$ 24,210</u>	<u>\$ 252</u>	<u>\$ 23,958</u>

SINGLE AUDIT SECTION



INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION - SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the basic financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION (a non-profit organization) as of and for the year-ended December 31, 1995, and have issued our report thereon dated March 25, 1996. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Not-for-Profit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A Professional Accounting Corporation

March 25, 1996

A Professional Accounting Corporation

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LARGE FORTCHIEFLEAS BASIN FOR NEVADA
SCHEDULE OF FEDERAL CHARGES
 For The Year Ended December 31, 1999

Federal CFDA Number	Cost Number	Grant/Fee/		Total Cost Award	Federal Revenue Recovery/	Deduced Federal Recovery/	Population
		Price	Through				
United States							
Environmental							
Protection Agency							
-	50060011-01-0	011500	120100	846,760,000	\$ 470,000 + \$	60,000	\$ 524,600
Other Federal Jurisds							
United States							
Environmental							
Protection Agency							
-	800810-01-0	83891	120100	900,000	51,100	-	21,100
-	8009011-01-0	0100	010000	271,000	12,000	-	10,000
Statewide Treatment							
Project							
				\$2,475,000	\$ 204,271	\$ 60,000	\$ 2,669,271
Totals							
* Major Programs							



**INDEPENDENT AUDITOR'S REPORT ON
THE INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of **LAKE PONTCHARTRAIN BASIN FOUNDATION** (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated March 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Foundation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of **LAKE PONTCHARTRAIN BASIN FOUNDATION** for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

A Professional Accounting Corporation

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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, Audit Advisory Committee and Management of LAKE PONCHARTRAIN BASIN FOUNDATION, the Environmental Protection Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Richard A. Hines, Richard A. Hines & Sons

A Professional Accounting Corporation

March 25, 1996



**INDEPENDENT AUDITOR'S REPORT
ON THE INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of the **LAKE PONTCHARTRAIN BASIN FOUNDATION** (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated March 25, 1996. We have also audited the Foundation's compliance with requirements applicable to major federal programs and have issued our report thereon dated March 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Standards of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Foundation complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audit for the year ended December 31, 1995, we considered the Foundation's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Foundation's financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated March 25, 1996.

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The management of the Foundation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments made by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are initiated in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting Applications	General Requirements	Specific Requirements
Budget	Political Activity	Types of Services Allowed/
Cash	Civil Rights	Unallowances
Revenues and Receipts	Cash Management	Financial Reports, Claims
Expenditures for Goods and	Federal Financial Reports	For Advances and
Services, and Amounts Payable	Allowable Costs/Cost Principles	Grants Reimbursement
Payroll and Related Liabilities	Drug-Free Workplace	Matching and Allowability
Grants	Administrative (Common Rule)	of Amounts Claimed
General Ledger/Financial Reporting	Requirements	or Used for Matching

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, LAKE PONCHAMTRAIN BASIN FOUNDATION expended 94 percent of its total federal awards under its major programs.

We performed tests of controls, as required by OMB Circular A-123, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Foundation's major program, which is identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal awards program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, Audit Advisory Committee and Management of LAKE PONTCHARTRAIN BASIN FOUNDATION, the Environmental Protection Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen & Company

A Professional Accounting Corporation

March 25, 1998



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated March 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Foundation is the responsibility of the Foundation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Foundation's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors, Audit Advisory Committee and Management of LAKE PONTCHARTRAIN BASIN FOUNDATION, the Environmental Protection Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Richard A. Hildebrand, CPA

A Professional Accounting Corporation

March 23, 1996



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO FEDERAL
AWARD PROGRAMS**

To the Board of Directors
Lake Pontchartrain Basin Foundation
Metairie, Louisiana

We have audited the financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated March 25, 1996.

We have applied procedures to test the Foundation's compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards for the year ended December 31, 1995:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug-Free Workplace
- Administrative (Common Rule) Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget (OMB) Circular A-133 "Compliance Supplement for Audits of Institutions of Higher Education and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Foundation's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that LAKE PONTCHARTRAIN BASIN FOUNDATION had not complied, in all material respects, with those requirements.

A Professional Accounting Corporation

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Our personal affiliation with accounting firms does not, by

This report is intended for the information of the Board of Directors, Audit Advisory Committee and Management of LAKE PONCHARTRAIN BASIN FOUNDATION, the Environmental Protection Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Chas. Allen, Charles Henry P. Grant

A Professional Accounting Corporation

March 25, 1978