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**LAKE CHARTRAIN BASIN FOUNDATION**

December 31, 1997

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Release Date JAN 07 1998

**Audit of Financial Statements**

December 31, 1997  
and  
December 31, 1998



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

Independent Auditor's Report

We have audited the statements of financial position of LAKE PONTCHARTRAIN BASIN FOUNDATION as of December 31, 1997 and 1996, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards 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 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, 1997 and 1996, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 1, 1998, on our consideration of LAKE PONTCHARTRAIN BASIN FOUNDATION's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

a Professional Accounting Corporation

600 Two Lakesway Center, 5th N. Causeway Blvd. Metairie, LA 70001 (504) 835-5522 FAX (504) 883-8888  
P.O. Box 27 Riverside Drive Covington, LA 70424 (504) 863-5858 FAX (504) 863-6996

E-Mail Address: [laporte@laporte.com](mailto:laporte@laporte.com) Internet Address: <http://www.laporte.com/>

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Our audits were performed for the purpose of forming an opinion on the basic financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying financial information in schedules I through VI, is presented for purposes of additional information. 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.



A Professional Accounting Corporation

May 1, 1998

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

**ASSETS**

	December 31,	
	1997	1996
Cash and Cash Equivalents	\$ 294,137	\$ 218,984
Restricted Cash for Program Expenditures	19,798	180,128
Investments	219,014	85,070
Prepaid Assets	5,823	5,535
Grant Receivables	81,888	-
Accrued Interest Receivable	260	315
Office Furniture and Equipment, Net	34,615	35,835
Payroll Advances	-	268
Deposits	1,575	1,575
<b>Total Assets</b>	<b>\$ 753,280</b>	<b>\$ 644,542</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 28,793	\$ 37,817
Accrued Liabilities	1,894	8,354
Deferred Revenue	36,330	38,654
<b>Total Liabilities</b>	<b>67,017</b>	<b>104,825</b>

**NET ASSETS**

Unrestricted	690,437	431,523
Temporarily Restricted - Other	2,137	3,684
Permanently Restricted - Endowment Fund	3,500	3,500
<b>Total Net Assets</b>	<b>686,074</b>	<b>438,707</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 753,281</b>	<b>\$ 644,542</b>

See accompanying notes to financial statements.

**LAKE PONTCHARTRAIN BASIN FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 1997**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Donations	\$ 97,212	\$ -	\$ -	\$ 97,212
Donated Services	7,048	68,188	-	75,236
Donated Use of Office Space	34,288	-	-	34,288
Fund Raising Events	265,526	-	-	265,526
Grants:				
EPA - Ichauwee Basin Cleanup	-	1,290,548	-	1,290,548
Other - Restricted	-	33,279	-	33,279
Program Reimbursement	-	3,328	-	3,328
Investment Return	34,874	-	1,497	36,371
Memberships	23,141	-	-	23,141
Merchandise Sales	1,481	-	-	1,481
Net Assets Released from Restrictions	(1,858,825)	(1,858,825)	(3,487)	-
<b>Total Support and Revenue</b>	<u>1,051,492</u>	<u>(13,262)</u>	<u>-</u>	<u>1,038,230</u>
<b>EXPENSES</b>				
<b>Program Services:</b>				
Environmental Education	62,897	-	-	62,897
Scientific and Field Research	1,208,562	-	-	1,208,562
<b>Total Program Services</b>	<u>1,271,459</u>	<u>-</u>	<u>-</u>	<u>1,271,459</u>
<b>Supporting Services:</b>				
Fund Raising	147,548	-	-	147,548
Management and General	188,412	-	-	188,412
Membership Promotion	3,311	-	-	3,311
<b>Total Supporting Services</b>	<u>339,271</u>	<u>-</u>	<u>-</u>	<u>339,271</u>
<b>Total Expenses</b>	<u>1,610,730</u>	<u>-</u>	<u>-</u>	<u>1,610,730</u>
<b>CHANGES IN NET ASSETS</b>	<u>211,504</u>	<u>(1,567)</u>	<u>-</u>	<u>211,507</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>411,553</u>	<u>1,481</u>	<u>2,992</u>	<u>416,026</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 623,057</u>	<u>\$ 1,414</u>	<u>\$ 2,992</u>	<u>\$ 627,463</u>

See accompanying notes to financial statements.



**LAKE PONCHARTRAIN BASIN FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 1994

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Donations	\$ 14,713	\$ -	\$ -	\$ 14,713
Donated Services	28,480	114,388	-	256,768
Donated Use of Office Space	23,879	-	-	23,879
Fund Raising Events	295,407	-	-	295,407
Grants:				
EPA - Biomonitoring Treatment Project	-	120,897	-	120,897
EPA - Lakechar Basin Cleanup	-	655,491	-	655,491
Other - Restricted	-	18,880	-	18,880
Investment Returns	14,163	-	1,179	15,344
Memberships	22,879	-	-	22,879
Merchandise Sales	297	-	-	297
Net Assets Released from Restrictions	<u>252,381</u>	<u>(258,484)</u>	<u>(11,129)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>1,284,313</u>	<u>(2,798)</u>	<u>-</u>	<u>1,281,515</u>
<b>EXPENSES</b>				
<b>Program Services:</b>				
Environmental Education	184,931	-	-	184,931
Scientific and Field Research	<u>788,372</u>	<u>-</u>	<u>-</u>	<u>788,372</u>
<b>Total Program Services</b>	<u>973,303</u>	<u>-</u>	<u>-</u>	<u>973,303</u>
<b>Supporting Services:</b>				
Fund Raising	141,553	-	-	141,553
Management and General	263,884	-	-	263,884
Membership Promotion	<u>2,128</u>	<u>-</u>	<u>-</u>	<u>2,128</u>
<b>Total Supporting Services</b>	<u>407,565</u>	<u>-</u>	<u>-</u>	<u>407,565</u>
<b>Total Expenses</b>	<u>1,380,868</u>	<u>-</u>	<u>-</u>	<u>1,380,868</u>
<b>CHANGES IN NET ASSETS</b>	110,062	(2,798)	-	107,264
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>210,221</u>	<u>4,282</u>	<u>(2,588)</u>	<u>211,915</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 320,283</u>	<u>\$ 1,484</u>	<u>\$ (2,588)</u>	<u>\$ 319,179</u>

See accompanying notes to financial statements.

**LAKE PONCHARTRAIN BASIN FOUNDATION  
STATEMENTS OF CASH FLOWS**

	For The Years Ended December 31,	
	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 253,257	\$ 189,384
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,564	11,626
Loss on Disposition of Equipment	-	494
Unrealized Gain on Investments	(16,377)	(240)
Gain on Sale of Investments	-	(20)
Donated Equipment	-	(6,511)
Donated Investments	560	(948)
Discount Accretion	-	(5,754)
(Increase) in Accounts Interest Receivable	(78)	(212)
Decrease (Increase) in Payroll Advances	580	(968)
(Increase) Decrease in Grant Receivable	(81,886)	18,563
(Increase) Decrease in Prepaid Assets	(2,288)	159
Decrease in Deposits	-	58
(Decrease) Increase in Accounts Payable	(16,224)	1,214
(Decrease) in Accrued Liabilities	(7,860)	(4,254)
(Decrease) Increase in Deferred Revenue	(23,220)	14,922
Cash Flows Provided by Operating Activities	<u>128,774</u>	<u>157,813</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of Investments	223,712	156,680
Proceeds from Sale of Stock	-	187
Purchases of Investments	(269,231)	(76,843)
Purchase of Office Furniture and Equipment	(7,340)	(12,413)
Cash Flows Provided by (Used in) Investing Activities	<u>(112,859)</u>	<u>86,821</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(84,085)	244,634
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>419,622</u>	<u>213,168</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 335,537</u>	<u>\$ 457,802</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash Paid During the Year for:		
Interest	<u>\$ -</u>	<u>\$ -</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 09, 1989 by Act 716 of the 1989 Louisiana Legislature and pursuant to the Nonprofit Corporation Law of the State of Louisiana for the purpose of the protection 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 discharge, agricultural discharge, saltwater intrusion, erosion and restoration.

**BASIS OF PRESENTATION**

In 1996, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 requires reporting information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Restrictions are based upon donor stipulations. In addition, a statement of cash flows must be presented. This reclassification had no effect on the change in net assets for 1996.

**PUBLIC SUPPORT, REVENUE AND PLEDGES**

In 1996, the Foundation adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, contributions are recorded as restricted if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Accounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Other sources of revenue include grants, contracts, sale of merchandise and fund raising events.

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

**NOTE A**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PUBLIC SUPPORT, REVENUE AND PLEDGES (Continued)**

During 1997 and 1996, \$33,275 and \$16,808, respectively, were received as grants for the temporarily restricted purpose of sponsoring environmental programs. Expenditures of \$38,817 and \$18,598 were incurred for these programs during 1997 and 1996, respectively. Temporarily Restricted - Other for 1997 and 1996 are \$2,137 and \$5,684, 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 5 to 10 years.

**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 activities. 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.

**COMPENSATED ABSENCES**

The Foundation has not accrued for compensated absences such as vacation and sick leave. These amounts are estimated to be immaterial to the financial statements, taken as a whole.

**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 those estimates.

**ACCOUNTING FOR FINANCIAL INSTRUMENTS**

In 1996, the Foundation adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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

**NOTE B**

**DONATED SERVICES AND OFFICE SPACE**

The value of donated services by volunteers is not reflected in the accompanying financial statements because they do not meet the criteria necessary to be recorded under the Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." SFAS No. 116 requires donated services to be recorded only if the recipient organization would have to purchase such services to maintain its operations or accomplish its mission. Although the time contributed by volunteers is not recorded in the accompanying financial statements, it should be noted that a substantial number of volunteers have donated significant amounts of their time to the Foundation's fund raising events.

The Foundation also receives various donated professional services, facilities, and materials, including the match portion of the federal grants, which are recorded in the accompanying financial statements as donated services because they enhance financial assets, require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The most significant is free use of a portion of its office facilities, parking and utilities. The rental value of these facilities, in the amount of \$24,288 for 1997 and \$21,859 for 1996, 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. Likewise, \$168,080 in 1997 and \$184,308 in 1996 was recognized as the match portion of the federal grant.

The Foundation participates in a fundraising program through Volunteers of America (VOA), whereby the public may donate boats 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 \$50 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 1997 and 1996, the Foundation received \$1,659 and \$1,392, respectively, through this program.

**NOTE C**

**OFFICE FURNITURE AND EQUIPMENT**

Office furniture and equipment, at cost, and related accumulated depreciation at December 31, 1997 and 1996 are summarized as follows:

	1997	1996
Computer Equipment	\$ 54,202	\$ 46,888
Furniture and Fixtures	13,997	12,997
Boat and Other Program Equipment	8,638	8,638
	77,837	70,485
Less: Accumulated Depreciation	47,214	38,689
	<u>\$ 30,623</u>	<u>\$ 31,796</u>

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

**NOTE C**

**OFFICE FURNITURE AND EQUIPMENT**

Depreciation expense for 1997 and 1998 was \$12,564 and \$11,626, respectively.

**NOTE D**

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	1997	1998
Turtle Cove Teacher Workshops	\$ 2,933	\$ 1,199
Clean Through Convention	(766)	-
Iron's Volunteers	-	1,340
Ecology Camp	-	400
Jefferson Parish Field Trips	-	-
	<u>\$ 2,167</u>	<u>\$ 2,639</u>

**NOTE E**

**RESTRICTED ASSETS**

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.

Investments include \$2,500 which represents the permanently restricted portion of the endowment fund investment account. The remaining \$1,487 in 1997 and \$1,179 in 1998 of the endowment fund is classified as unrestricted.

**NOTE F**

**LEASE COMMITMENT**

The Foundation occupies space under an operating lease which expires September 30, 1999. The future minimum payments are:

1998	\$ 26,080
1999	28,080
	<u>\$ 54,080</u>

Rent expense was \$25,631 and \$17,856 for the years ended December 31, 1997 and 1998, respectively.

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

**NOTE G**

**PENSION PLAN**

The Foundation has a 401k pension plan in effect at December 31, 1997 and 1996. The plan does not receive contributions from the Foundation. It receives contributions solely from the employee 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 1997 revenue is \$75,836 and the amount included in 1996 revenue is \$78,218.

**NOTE I**

**INVESTMENTS**

As required by SFAS 124, investments are recorded at market value and consist of the following as of December 31, 1997 and 1996:

	1997	1996
U.S. Treasury Bills	\$ 156,848	\$ 77,048
Investment in Common Stock		
Various Companies	2,708	2,543
Mutual Fund	60,368	3,679
	<u>\$ 219,924</u>	<u>\$ 83,270</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 1997 and 1996:

	1997	1996
Interest Income	\$ 17,064	\$ 14,886
Dividend Income	-	81
Realized Gains	-	29
Unrealized Gains	19,367	388
Total Investment Return	<u>\$ 36,431</u>	<u>\$ 15,384</u>

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

**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 1997 68% of total support and revenues was derived from EPA grants. In 1996 that amount was 33%.



**SUPPLEMENTARY INFORMATION**

**LAKE PONCHARTRAIN BASIN FOUNDATION  
SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES**

**SCHEDULE I  
ENVIRONMENTAL EDUCATION EXPENSES**

	For The Years Ended	
	December 31,	
	<u>1997</u>	<u>1996</u>
<b>Education Expenditures</b>		
Educational Packet and Video	\$ 14,140	\$ 78,859
Turtle Cove Expenditures	5,889	3,800
Local Volunteers	1,540	-
Ecology Camp	400	-
Event Related Expenses	70	-
JP Field Trip	-	1,572
Newsletter	6,321	5,676
Bookroom	5,000	11,800
Akita Springs	5,000	-
Environmental Issues	2,191	839
Education Support	568	729
Beachclean	300	599
Seminars and Conferences		
Coalition to Restore Urban Water	17,275	-
Clean Energy	5,797	-
General Seminars and Conferences	263	341
Awards	191	185
Airfare	-	314
	<u>\$ 62,862</u>	<u>\$ 104,931</u>
<b>Total</b>		

**LAKE POYCHARTRAIN BASIN FOUNDATION  
SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES**

**SCHEDULE II  
SCIENTIFIC AND FIELD RESEARCH EXPENSES**

	For The Year Ended	
	December 31,	
	1993	1994
Water Education for Teachers #19	\$ 128,779	\$ -
Cleco's Biter	78,821	-
Educational Outreach Activities	89,488	-
Lagoon Construction	64,955	79,804
Louisiana Children's Museum #18	62,500	-
Wastewater Infrastructure Improvement - St. Tammany and Tangipahoa	59,400	-
Aerial Mapping - Sediment Chemistry	50,228	-
Tangipahoa Parish Waste Water Management #12	48,452	-
Spliffway Materials and Phytoplankton #22	45,752	-
T.R.S.S. #16	36,960	12,100
Program Manager	36,547	33,942
Model of Wetlands #13	34,232	8,269
Northshore SAV Evaluation	32,340	14,338
Education Coordinator	31,434	29,438
Executive Director	28,925	32,112
Program Director	28,809	28,114
Environmental Director	22,640	22,212
Program Office Manager	22,022	21,402
Fuel	22,814	18,879
Educational Assistant	22,251	18,022
Payroll Taxes	19,082	17,648
Project/Program Assistant	18,239	7,240
Contract Services	14,839	12,790
Postmaster/Post #15	12,000	-
Group Insurance	11,280	9,249
Telephone	9,851	7,328
Wetland Field Trips #28	9,448	-
Administrative Assistant	8,721	8,114
Depreciation	8,196	7,224
Automobile Mileage Reimbursement	7,622	6,258
Lake Monitoring	6,217	4,299
Grass Planting (SAV) #3	6,154	-
Spliffway Opening - Lake Bienville #12	6,016	-
General Travel Expense	4,240	3,428
GIS Data	4,022	-
Office Supplies	3,994	1,578
Equipment Supplies	3,828	-
Staff Educational Resources	3,289	23,262

**LAKE PONCHARTRAIN BASIN FOUNDATION  
SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES (Continued)**

**SCHEDULE II  
SCIENTIFIC AND FIELD RESEARCH EXPENSES**

	For The Year Ended December 31,	
	1997	1996
Accounting	1,278	1,488
South Shore Water Quality	1,284	6,480
Miscellaneous Supplies	1,890	4,184
Project Assistant	1,783	3,841
Ecater's Study	1,793	6,507
Seminars and Conferences	1,778	759
Workshops Compensation (Institute)	1,561	1,289
Perage	1,558	1,447
Project Intern	1,581	1,691
Airfare	1,363	2,933
Other Professional Services	1,578	4,883
Lake Pontchartrain Spatial Information Management System KIT	1,288	-
Insurance - General	1,248	1,417
Computer Maintenance	873	-
Printing	779	129
Taxes and Licenses	678	941
Capitol Maintenance	548	-
Boat Exchange	423	-
Miscellaneous	398	13
Office Supplies	384	-
Maps, Books and Publications	129	4,433
Printing Expenses	34	-
L&I-SRF	-	41,243
Tulane-SRF	-	31,637
St. Tammany Water #2	-	14,811
Miscellaneous Direct Expenses	-	14,884
Algera Flood #9	-	7,999
Project Coordinator	-	8,168
Newsletter	-	2,349
Costal Watch	-	2,239
Deedworkop	-	1,852
Computer Consultant	-	889
Educational Supplies	-	39
Donated Services	68,890	181,368
<b>Total</b>	<b>\$1,328,140</b>	<b>\$1,788,732</b>

**LAKE PONCHARTRAIN BASIN FOUNDATION  
 SUPPLEMENTARY INFORMATION  
 STATEMENTS OF FUNCTIONAL EXPENSES**

**SCHEDULE III  
 FUND RAISING EXPENSES**

	For The Years Ended	
	December 31,	
	1997	1996
Back to the Beach	\$ 114,037	\$ 110,093
Fourth of July	7,560	8,153
Golf Tournament	7,548	-
Development Consultant	7,200	7,200
Ponchartraine Party	2,318	-
Development Specialist	2,000	8,654
Cassey Trees	1,819	-
T-Shirt Sales	1,462	-
Roads	900	7,684
Poster Sales	979	965
Lakeview	519	-
Printing	366	98
Awards	217	-
Postage	209	174
Subscriptions	219	516
Other	188	11
BPSGC	183	638
General Counsel	-	388
Fundraising Seminars	-	150
	<u>\$ 147,548</u>	<u>\$ 141,531</u>
<b>Total</b>	<b><u>\$ 147,548</u></b>	<b><u>\$ 141,531</u></b>

**LAKE POWERS/HAIRTRAIN BASIN FOUNDATION  
SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES**

**SCHEDULE IV  
MANAGEMENT AND GENERAL EXPENSES**

	For The Years Ended December 31,	
	1997	1998
Office Manager	\$ 28,187	\$ 25,148
Executive Director	20,283	24,140
Donated Use of Office Facilities	14,288	21,458
Environmental Director	23,149	21,980
Administrative Assistant	19,783	21,273
Telephones	9,294	10,618
Donated Services	7,040	20,418
Paper/Ink Taxes	6,110	7,206
Group Insurance	4,814	4,317
Auditing	4,380	3,458
Depreciation	4,348	4,792
Auto Mileage	3,709	2,835
Miscellaneous Office	3,487	2,804
Other Professional Services	3,083	1,808
Office Supplies	2,871	1,411
Rent	2,827	2,877
General Insurance	2,739	2,736
General Counsel	2,424	3,898
Copies Maintenance	2,124	1,847
Postage and Federal Express	2,129	2,796
Subscriptions and Dues	2,051	1,260
Computer Maintenance	1,808	1,109
Workman's Compensation Insurance	1,656	704
Travel	868	243
Supplies- Equipment	812	961
Parking	698	884
Accounting	448	1,647
Bank Charges	321	376
Other Compensation	110	331
Project Coordinator	-	6,978
Moving Expenses	-	2,070
Administrative Interns	-	912
Loss on Disposition of Equipment	-	496
Staff Educational Expenses	-	295
Licenses and Fees	-	268
Printing	-	31
<b>Total</b>	<b>\$ 181,422</b>	<b>\$ 200,881</b>

LAKE FONTCHAUBRAIN BASIN FOUNDATION  
SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES

SCHEDULE V  
MEMBERSHIP PROMOTION EXPENSES

	For The Years Ended December 31,	
	1997	1996
Membership Expenses	\$ 2,067	\$ 1,907
Printing and Postage	<u>1,144</u>	<u>187</u>
Total	<u>\$ 3,211</u>	<u>\$ 2,094</u>

**LAKE POSCHGARTRAIN BASIN FOUNDATION  
SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES**

**SCHEDULE VI  
BUDGET TO ACTUAL COMPARISON**

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Favorable (Unfavorable)</u>
<b>SUPPORT AND REVENUE</b>			
Donations	\$ 97,513	\$ 90,000	\$ 47,513
Donated Services	175,000	-	175,000
Donated Use-of Office Space	24,288	-	24,288
Fund Raising Events	265,256	241,000	25,256
Grants:			
EPA - Johnston Basin Cleanup	1,200,540	528,001	762,539
Other - Restricted	35,275	22,000	13,275
Program Reimbursement	5,150	-	5,150
Investment Returns	28,361	6,000	22,361
Memberships	23,041	25,000	(1,959)
Merchandise Sales	1,401	-	1,401
Total Support and Revenue	<u>1,567,545</u>	<u>872,001</u>	<u>1,025,814</u>
<b>EXPENSES</b>			
Program Services:			
Environmental Education	62,807	45,000	(14,207)
Scientific and Field Research	1,200,540	468,001	(622,509)
Total Program Services	<u>1,263,347</u>	<u>513,001</u>	<u>(525,732)</u>
Supporting Services:			
Fund Raising	147,548	144,500	(3,048)
Management and General	188,022	223,000	24,978
Membership Promotion	3,211	5,500	2,289
Total Supporting Services	<u>338,781</u>	<u>373,000</u>	<u>35,219</u>
Total Expenses	<u>1,602,128</u>	<u>886,001</u>	<u>(991,622)</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ 215,513</u>	<u>\$ (113,630)</u>	<u>\$ 271,917</u>



**0018 CIRCULAR A-111 SECTION**

**LAKE SUPERIOR TRUST FUND FOUNDATION**  
**SCHEDULE OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2017**

	Federal Award Number	Award Number	Award Period		Total Award Amount	Federal Award Received	Federal Award Expended	Expended
			From	To				
<b>Lake State Environmental Protection Agency</b>								
Inshore Basin Cleanup	-	200007-01-0	7/1/09	12/31/17	\$ 1,500,000	\$ 1,291,441	\$ 0	\$ 148,559

\* Major Program



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Lake Pontchartrain Basin Foundation

We have audited the financial statements of LAKE PONTCHARTRAIN BASIN FOUNDATION ("LPBF") (a nonprofit organization) as of and for the year ended December 31, 1997, and have issued our report thereon dated May 1, 1998. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether LPBF's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered LPBF's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

A Professional Accounting Corporation

599 Two Lakeway Center 3009 N. Conway Blvd. Metairie, LA 70002 (504) 885-0522 FAX (504) 885-0425

P.O. Box 27 Bienville Plaza - Covington, LA 70424 (504) 892-9898 FAX (504) 892-0262

E-mail Address: [lap@lap.com](mailto:lap@lap.com) Internet Address: <http://www.laposta.com/>

Member of ARPA Group Companies - 111 S. Maple Street, Covington, Louisiana 70424 and 300 Thruway Center, Metairie, Louisiana 70002  
Successors to a combination with Accounting Firm - Anderson, Inc.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Adler, Fisher, King & Hurd*

A Professional Accounting Corporation

May 1, 1988

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Lake Pontchartrain Basin Foundation

Compliance

We have audited the compliance of LAKE PONTCHARTRAIN BASIN FOUNDATION'S ("LPBF") (a nonprofit organization) with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1997. LPBF's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of LPBF's management. Our responsibility is to express an opinion on LPBF's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and (OMB) Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program covered. An audit includes examining, on a test basis, evidence about LPBF's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on LPBF's compliance with those requirements.

In our opinion, LPBF complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1997.

A Professional Accounting Corporation

800 Two Gateway Center 2000 N. Gateway Blvd., Metairie, LA 70002 (504) 885-0552 FAX (504) 881-5540

P.O. Box 27, Braintree Place, Covington, LA 70424 (504) 893-9950 FAX (504) 893-5955

E-mail Address: [lpbf@lpbf.com](mailto:lpbf@lpbf.com) Internet Address: <http://www.lpbf.com/>

Member of ARPA's Client's Choice 2000 Firm Forum (Comptroller, Practice Director and CEO, Practice Service)  
1999-2000, Audited With Accounting Firm's Association, Inc.

### Internal Control Over Compliance

The management of LFPBF is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered LFPBF's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to the major federal program 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 over compliance that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



A Professional Accounting Corporation

May 1, 1998

**LAKE POSTCHARTRAIN BASIN FOUNDATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
**For The Year ended December 31, 1997**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of LPBF.
2. No reportable conditions relating to the audit of the financial statements of LPBF were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of LPBF were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for LPBF expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for LPBF are reported in Part C. of this Schedule.
7. The programs tested as major programs included:

<u>PROGRAM</u>	<u>CEDA No.</u>
Johnson Basin Cleanup	-

8. The threshold for designating Types A and B programs was \$300,000.
9. LPBF was not determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**LAKE POST/BAHRAIN BASIN FOUNDATION**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year ended December 31, 1997**

**ENVIRONMENTAL PROTECTION AGENCY**

The reportable conditions noted in the prior year were as follows:

1. December 31, 1996 - FINDING: Handling of Cash Receipts

*Condition:* There is improper segregation of duties concerning cash receipts. There is one employee who opens the mail, lists the cash receipts, inputs them into the computer database, and writes thank you letters to the donors. The list is then forwarded to the accounting employee to input into the accounting records. However, the list that is forwarded to accounting does not include the requisite support. As a result, there is no way for accounting to verify the appropriateness of the cash receipts classifications. This precludes the possibility of appropriately reconciling the database and accounting records because the accounting records are prepared using the database information.

*Recommendation:* It was recommended that internal control can be sufficiently improved if the reconciliations are given to accounting so that the classifications can be independently verified.

*Current Status:* The recommendation was adopted during the current year and no similar findings were noted in the 1997 audit.

2. December 31, 1996 - FINDING: Frequency of cash deposits

*Condition:* Bank deposits are not always being made on a daily basis.

*Recommendation:* Bank deposits should be made on a daily basis whenever possible. There should be a maximum number of days cash receipts can be held, regardless of the dollar amount.

*Current Status:* The recommendation was adopted during the current year and no similar findings were noted in the 1997 audit.



**LAKE PONTCHARTRAIN BASIN FOUNDATION**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)**  
**For The Year ended December 31, 1997**

3. December 31, 1996 - FINDING: Back to the Beach money room security

*Condition:* There is inadequate security of the money room during the Back to the Beach fundraising event.

*Recommendation:* Access to the money room should be limited to those volunteers working during a particular shift. Having a photo identification card for those volunteers in addition to requiring the employee staffed at the money room to walk to the door to verify identification prior to entry would be a good procedure. There should also be at least two security guards stationed at the money room door at all times, starting from the time the start-up cash is delivered in the morning to the time the last cash is picked up at night. A security guard should always accompany the runner going to the booths to collect money. Also, the security guards should perform a grounds sweep after the event is closed at night to ensure everyone is off the premises.

*Current Status:* The recommendations were adopted during the current year and no similar findings were noted in the 1997 audit.

4. December 31, 1996 - FINDING: Back to the Beach Money Count Receipts

*Condition:* Controls over money count receipts and procedures can be improved.

*Recommendation:* After the money is counted and a receipt is written up for that amount, an independent person should hold a copy of the receipts and those copies should be reconciled to the bank deposits on a timely basis.

*Current Status:* The recommendation was adopted during the current year and no similar findings were noted in the 1997 audit.