

2018 NOLA FOUNDATION
FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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Member
American Institute of
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
2018 NOLA Foundation
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the **2018 NOLA Foundation (the Foundation)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
2018 NOLA Foundation
New Orleans, Louisiana

Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **2018 NOLA Foundation** as of December 31, 2017, 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
2018 NOLA Foundation
New Orleans, Louisiana

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Functional Expenses and the accompanying Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
2018 NOLA Foundation
New Orleans, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2018, 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 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 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.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

April 16, 2018

2018 NOLA FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Cash (NOTES 2 and 4)	\$ 361,930
Cash held for others	5,633
Unconditional promises to give (NOTE 6)	1,125,000
Other receivables	15,445
Prepaid expenses	127,164
Other assets	<u>12,010</u>
 Total assets	 <u>\$1,647,182</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued expenses	\$ 80,521
Due to affiliate (NOTE 5)	42,207
Funds held on behalf of others	<u>5,633</u>
 Total liabilities	 <u>128,361</u>
 Net Assets:	
Unrestricted (NOTE 2)	279,052
Temporarily restricted (NOTE 7)	<u>1,239,769</u>
 Total net assets	 <u>1,518,821</u>
 Total liabilities and net assets	 <u>\$1,647,182</u>

The accompanying notes are an integral part of these financial statements.

2018 NOLA FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:			
Grants and contributions (NOTE 8)	\$ 693,084	\$ 2,535,000	\$3,228,084
Other income	54,890	-0-	54,890
Net assets released from restrictions:			
Satisfaction of purpose restrictions (NOTE 7)	<u>1,573,712</u>	<u>(1,573,712)</u>	<u>-0-</u>
Total support and revenues	<u>2,321,686</u>	<u>961,288</u>	<u>3,282,974</u>
EXPENSES:			
Program services	1,749,590	-0-	1,749,590
Supporting services:			
Management and general	129,233	-0-	129,233
Fundraising	<u>133,483</u>	<u>-0-</u>	<u>133,483</u>
Total expenses	<u>2,012,306</u>	<u>-0-</u>	<u>2,012,306</u>
Changes in net assets	309,380	961,288	1,270,668
Net assets, beginning of year	<u>(30,328)</u>	<u>278,481</u>	<u>248,153</u>
Net assets, end of year	<u>\$ 279,052</u>	<u>\$ 1,239,769</u>	<u>\$ 1,518,821</u>

The accompanying notes are an integral part of these financial statements.

2018 NOLA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$1,270,668
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Decrease in cash held for others	4,181
Increase in unconditional promises to give	(951,773)
Increase in other receivables	(15,445)
Increase in prepaid expenses	(122,501)
Increase in other assets	(12,010)
Increase in due to affiliate	32,939
Increase in accrued expenses	47,204
Decrease in funds held on behalf of others	<u>(4,181)</u>
Net cash provided by operating activities	<u>249,082</u>
Net increase in cash	249,082
Cash at beginning of year	<u>112,848</u>
Cash at end of year	\$ <u><u>361,930</u></u>

The accompanying notes are an integral part of these financial statements.

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION:

The **2018 NOLA Foundation (the Foundation)** is a 501(c)(3) nonprofit organization established October 1, 2014. The mission of **the Foundation** is to promote the 300th anniversary of the City of New Orleans in 2018. **The Foundation's** efforts are focused on raising awareness about the cultural significance of the city and its evolution over time. **The Foundation** is restoring historic Gallier Hall as well as planning multiple events to commemorate the tricentennial, including hosting educational panels, policy discussions, volunteer opportunities for citizens and visitors, neighborhood activities, historical re-enactments and other special events. **The Foundation** will work with local organizations, including schools and universities, to make the tricentennial a memorable event for not only the citizens of New Orleans, but the United States.

The mayor of the City of New Orleans has established the 2018 NOLA Commission (the Commission), composed of a volunteer group of key leaders in the community who will organize international, national and local partners for the planning of the tricentennial celebration activities. **The Foundation** works in close association with the Commission; however, **the Foundation** is a separate legal entity from the Commission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

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

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis of Reporting

In accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities*, which establishes standards for external financial reporting by not-for-profit organizations, **the Foundation** classifies resources for accounting and reporting purposes into three net asset categories: unrestricted, temporarily restricted and permanently restricted. A description of three net asset categories is as follows:

- Unrestricted net assets include funds not subject to donor-imposed stipulations. Unrestricted grants and contributions, other income, and expenses incurred in conducting the mission of **the Foundation** are included in this category.
- Temporarily restricted net assets include grants and contributions for which donor-imposed restrictions have not been met.
- Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized in accordance with donor-imposed restrictions.

At December 31, 2017, **the Foundation** did not have any permanently restricted net assets.

Cash Equivalents

For purposes of the statement of cash flows, **the Foundation** considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. **The Foundation** had no cash equivalents at December 31, 2017.

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Revenue Recognition

Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets 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. All other donor-restricted grants and contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Deferred Revenues

Deferred revenue arises when resources are received by **the Foundation** before it has a legal claim to them. In subsequent periods, when **the Foundation** has legal claim to the resources, current period revenue is recognized and deferred revenue is reduced. At December 31, 2017, **the Foundation** had no deferred revenues.

Functional Allocation of Expenses

The costs of providing **the Foundation's** various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among **the Foundation's** programs and supporting services benefitted.

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Income Taxes

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Therefore, no provision for income taxes has been made in the accompanying financial statements. Should **the Foundation's** tax-exempt status be challenged in the future, **the Foundation's** 2015 through 2017 tax years are open for examination by the Internal Revenue Service.

NOTE 3 - ECONOMIC DEPENDENCY:

The primary sources of revenues for **the Foundation** are grants and contributions provided through various funding agencies and donors. The continued success of **the Foundation** is dependent upon the renewal of grants and contributions from current funding sources, as well as obtaining new funding.

NOTE 4 - CONCENTRATION OF CREDIT RISK:

The Foundation maintains a noninterest-bearing deposit account at a financial institution in New Orleans, Louisiana. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution per depositor. At December 31, 2017, **the Foundation** had uninsured deposits totaling \$211,100.

NOTE 5 - RELATED PARTY TRANSACTIONS:

The Foundation and an affiliated organization, the New Orleans Tourism Marketing Corporation (NOTMC) (a component unit of the City of New Orleans), have the same individual as President/Chief Executive Officer. The individual serves in a volunteer capacity for **the Foundation**.

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - RELATED PARTY TRANSACTIONS, CONTINUED:

For the year ended December 31, 2017, NOTMC provided a \$100,000 grant to **the Foundation**. In addition, NOTMC incurred certain reimbursable expenses during the year. The balance of unreimbursed expenses at December 31, 2017 was \$42,207.

NOTE 6 - UNCONDITIONAL PROMISES TO GIVE:

At December 31, 2017, **the Foundation's** promises to give are as follows:

City of New Orleans - Edward Wisner Donation	\$1,000,000
Sherry and Alan Leventhal Foundation	75,000
Reily Foundation	<u>50,000</u>
	<u>\$1,125,000</u>

Unconditional promises to give of \$1,125,000 are expected to be collected in one (1) year or less.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS:

At December 31, 2017, temporarily restricted net assets in the amount of \$1,239,769 are available for the following purposes:

Culminating Week Activities	\$ 500,000
Challenge Grants	250,000
Renovation of Gallier Hall	414,008
Operations	50,761
Service Project	<u>25,000</u>
	<u>\$1,239,769</u>

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS, CONTINUED:

For the year ended December 31, 2017, temporarily restricted net assets were released from restrictions for the following purposes:

Renovation of Gallier Hall	\$1,374,473
Operations	149,239
Book Festival	<u>50,000</u>
	<u>\$1,573,712</u>

NOTE 8 - GRANT AND CONTRIBUTION REVENUE:

Grant and contribution revenue for the year ended December 31, 2017 consisted of the following sources:

City of New Orleans - Edward Wisner Donation	\$2,000,000
David T. Bollinger	50,000
Goldman Sachs	100,000
Greater New Orleans, Inc.	25,000
Iberia Bank	250,000
New Orleans Tourism Marketing Corporation	100,000
Ochsner Foundation	50,000
Reily Foundation	100,000
Richard Adkerson Family Foundation	100,000
RosaMary Foundation	200,000
Sherry and Alan Leventhal Foundation	150,000
Other	<u>103,084</u>
	<u>\$3,228,084</u>

2018 NOLA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - CONTRIBUTIONS:

The Foundation serves in the capacity of project manager for the renovation of historic Gallier Hall, which is owned by the City of New Orleans. Costs incurred in the renovation of Gallier Hall totaled \$1,435,472 for the year ended December 31, 2017. These renovations are reported as contributions made to the City of New Orleans and are classified as program services in the statement of functional expenses.

NOTE 10 - DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through April 16, 2018, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

2018 NOLA FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	<u>SUPPORTING SERVICES</u>		Total
		<u>Management and General</u>	<u>Fundraising</u>	
Compensation and related expenses	\$ -0-	\$40,572	\$ -0-	\$ 40,472
Contributions made:				
City of New Orleans -				
Gallier Hall renovations	1,435,472	-0-	-0-	1,435,472
Event and project management:				
Legends Dinner	34,489	-0-	-0-	34,489
Book Festival	50,000	-0-	-0-	50,000
NOLA 300 Past, Present, and Future	47,512	-0-	-0-	47,512
NOLA Navy Week	4,786	-0-	-0-	4,786
Beignet Festival	7,500	-0-	-0-	7,500
Citywide Youth Choir	27,000	-0-	-0-	27,000
Slave Marker Project	16,310	-0-	-0-	16,310
Firework Displays	13,000	-0-	-0-	13,000
Bilingual Exhibition Catalog	3,000	-0-	-0-	3,000
Bishops Meeting	5,995	-0-	-0-	5,995
Website	14,203	-0-	-0-	14,203
Miscellaneous	4,260	545	3,510	8,315
Promotional items	61,824	-0-	-0-	61,824
Office expense	-0-	19,273	-0-	19,273
Contract services	-0-	50,179	113,809	163,988
Printing and copying	-0-	-0-	16,164	16,164
Travel	24,239	11,669	-0-	35,908
Insurance	<u>-0-</u>	<u>6,995</u>	<u>-0-</u>	<u>6,995</u>
 Total	 <u>\$1,749,590</u>	 <u>\$129,233</u>	 <u>\$133,483</u>	 <u>\$2,012,306</u>

See Independent Auditors' Report on Supplementary Information.

2018 NOLA FOUNDATION
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO PRESIDENT/CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

President/Chief Executive Officer Name: Mark Romig

Purpose

Salary	\$	-0-
Benefits - insurance		-0-
Benefits - retirement		-0-
Benefits - office parking		-0-
Car allowance		-0-
Vehicle provided by government		-0-
Per diem		-0-
Reimbursements		7,606
Travel		-0-
Registration fees		-0-
Conference travel		-0-
Continuing professional education fees		-0-
Housing		-0-
Unvouchered expenses		-0-
Special meals		-0-

See Independent Auditors' Report on Supplementary Information.

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*

To the Board of Directors
2018 NOLA Foundation
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **2018 NOLA Foundation (the Foundation)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 16, 2018.

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) to determine the audit 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.

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
(CONTINUED)

Internal Control Over Financial Reporting, Continued

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 determination of financial statement 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 or other matters that are required to be reported under *Government Auditing Standards*.

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
(CONTINUED)

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 Foundation's** internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

April 16, 2018

2018 NOLA FOUNDATION
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **Unmodified Opinion.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported.** Material weakness: **No.**
- C. Noncompliance which is material to the financial statements: **No.**
- D. Significant deficiencies in internal control over major programs: **Not applicable.** Material weaknesses: **Not applicable.**
- E. The type of report issued on compliance for major programs: **Not Applicable.**
- F. Any audit findings which are required to be reported under *the Uniform Guidance*: **Not Applicable.**
- G. Major programs: **Not Applicable**
- H. Dollar threshold used to distinguish between Type A and Type B programs: **Not Applicable.**
- I. Auditee qualified as a low-risk auditee under *the Uniform Guidance*: **Not Applicable.**
- J. A management letter issued: **No.**

2018 NOLA FOUNDATION
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

Section II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

No matters reported.

Section III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Not applicable.

2018 NOLA FOUNDATION
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

No matters reported.

Section II - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Not applicable.

Section III - MANAGEMENT LETTER

No matters reported.

2018 NOLA FOUNDATION

EXIT CONFERENCE

An exit conference was held with members of management and the Board of Directors to discuss the audit report. The individuals who participated in the discussion were as follows:

2018 NOLA FOUNDATION

Mr. Mark Romig	--	President and CEO
Mrs. Tiffany Jackson, CPA	--	Accountant
Mr. Richard F. Cortizas	--	Board Chair
Mr. Stephen Hales	--	Board Treasurer
Mr. Timothy Francis	--	Board Secretary
Mr. Lawrence Kullman	--	Board Member
Ms. Diana Lewis	--	Board Member

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA	--	Managing Partner
Mrs. Sherina R. Clavier, CPA	--	Manager

2018 NOLA FOUNDATION
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2017



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**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors of **2018 NOLA Foundation**
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by **2018 NOLA Foundation (the Foundation)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. **The Foundation's** management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS

The procedures and findings related to the Statewide Agreed-Upon Procedures are as follows:

Written Policies and Procedures

1. We obtained **the Foundation's** written policies and procedures to determine whether the policies and procedures address each of the following financial/business functions, as applicable:

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

The Foundation's budgeting policy does not address amending the budget.

Management's Response

We will update our policies to include the process of amending our budget when revenues and expenses are expected to vary by 10% from the original budget.

- b) 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.

The Foundation does not have a formal purchasing policy.

Management's Response

We will update our policy to include steps to initiate purchases, how vendors are added to the vendor list, the preparation and approval process of purchases, controls to ensure that we comply with the public bid laws and maintain documentation of the public bid process.

- c) Disbursements, including processing, reviewing, and approving.

No exceptions were noted.

- d) Receipts, including receiving, recording, and preparing deposits.

No exceptions were noted.

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

The Foundation does not have a formal payroll/personnel policy.

Management's Response

Our policy will be updated to include steps for processing, reviewing and approving time, attendance, including leave and overtime worked.

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

The Foundation does not have a formal contracting policy.

Management's Response

An update to our policies will include a contract section and address the types of services requiring written contracts, standard terms and conditions, legal review, approval process and monitoring process.

- g) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

This procedure is not applicable; the Foundation does not have a credit/debit/fuel/P card.

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

The Foundation's travel and expense reimbursement policy does not address dollar thresholds for hotel expenses or required approvers.

Management's Response

We will update our policies to reflect allowable travel expenses, dollar thresholds by category of expenses, and required approvers.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
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(CONTINUED)**

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

This procedure is not applicable to nonprofits.

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

This procedure is not applicable; the Foundation has no debt.

Board (or Finance Committee, if applicable)

- 2. We obtained and reviewed the Board/Finance Committee minutes for the fiscal period to determine whether:
 - a) the Board met (with a quorum) at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, or other equivalent document.

The Foundation's Board held its annual meeting via conference call; only an annual meeting is required by the Foundation's bylaws. However, the Board did not have a quorum and no minutes were recorded.

Management's Response

In the future, we will ensure that minutes are recorded for our board meetings.

- b) the Board minutes referenced or included monthly budget-to-actual comparisons on **the Foundation's** funds, and if the budget-to-actual comparisons showed that management was deficit spending during the fiscal period, there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The Foundation's Board did not record minutes from the annual Board meeting.

Management's Response

Moving forward, we will ensure that the minutes are recorded and reflect the financial details reported during the meeting.

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(CONTINUED)

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

The Foundation's Board did not record minutes from the annual Board meeting.

Management's Response

As previously stated, we will ensure that meeting minutes are recorded and include details such as contract approvals and other non-budgetary financial information.

Bank Reconciliations

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

No exceptions were noted.

4. From the listing provided by management, we selected all four of **the Foundation's** bank accounts and obtained bank statements and reconciliations for all months in the fiscal period to determine whether:

- a) Bank reconciliations have been prepared;

No exceptions were noted.

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

We noted that the bank reconciliations for two (2) months (January and November) did not show evidence of review by management or a Board member.

We also noted that of the ten (10) months' bank reconciliations that were reviewed, they were reviewed by the President, who also has authority to sign checks. However, as a compensating control, the President/CEO does not have access to process accounts payable.

Management's Response

In the future, we will ensure that management approves all bank reconciliations.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
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(CONTINUED)**

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

We noted that management did not have documentation reflecting that it had researched reconciling items that were outstanding more than 6 months as of December 31, 2017.

Management's Response

We will update our policies to include a process for reviewing checks outstanding for six (6) months or more and document our findings from the review process.

Cash Collections

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

No exceptions were noted.

6. From the listing provided by management, we selected all of **the Foundation's** cash collection locations and:

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

All employees collecting cash are bonded.

We noted the Contract Accountant is responsible for depositing the cash in the bank, recording cash transactions, and reconciling the bank account. However, as a compensating control, the Contract Accountant does not collect cash and bank reconciliations are reviewed and approved by the President/CEO.

Management's Response

We are operating with a limited staff, which includes a volunteer President/CEO, and we do not have the budget to increase staff size. Our current process for depositing, recording, and reconciling, and reconciliation review and approval has been effective and therefore, we will maintain the current policy.

INDEPENDENT ACCOUNTANTS' REPORT
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(CONTINUED)

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

The process of reconciling cash collections to the general ledger is performed by the Contract Accountant, who may collect cash as a last resort in the absence of a cash collection designee.

Management's Response

Our policy is to only collect cash as a last resort. We will develop a process where we add notification of the accountant and President/CEO of cash collections and the President/CEO will follow up with subsequent review of bank statement and ledger to ensure payments have posted.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- 1) Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement to determine whether the deposits were made within one day of collection.

We noted that checks received between October 3 and October 9 were not deposited until October 26.

Management's Response

In the future, we will ensure that deposits are made within seven (7) days.

- 2) Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
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(CONTINUED)**

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

There is not a formal process to determine completeness of all collections.

Management's Response

Moving forward, we will document all sales and giveaways of promotional items and perform reconciliations of the ending inventory to sales and giveaways reports.

Disbursements – General (excluding credit card purchases or payments)

8. We obtained **the Foundation's** general ledger accounts for the unclassified and Wisner activity for the year ended December 31, 2017 and filtered for purchases only. We obtained management's representation that the consolidated check register population was complete.

No exceptions were noted.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction to determine whether:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The Foundation does not use a requisition/purchase order system to initiate purchases. However, we noted that all purchases tested were accompanied by a check request as per the Foundation's policy.

Management' Response

Our current procedures do not include a purchase order system. We will continue to use the check requisitions to approve payment of invoices and starting in May 2018, employees are required to obtain approval of purchases in writing and in advance and attach the written approval to the invoice and check request.

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

We noted one (1) of 25 disbursements was accompanied by a check request that had not been approved.

Management's Response

In the future, we will perform a review of all disbursements to ensure that the check request has been approved. If not, then the request will be returned to the President/CEO for approval.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

We noted one (1) of 25 disbursements was processed without an approved check request and 11 of 25 purchases were approved without a receiving report or packing slip. All purchases were supported by approval documented on either the check request or the invoice.

Management's Response

As mentioned above, we will perform a review of all disbursements to ensure the check requests have been approved. If not, then the requests will be returned to the President/CEO for approval. We will also include packing slips for shipments with the invoice and check requests.

10. We reviewed **the Foundation's** documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the person responsible for processing payments is prohibited from adding vendors to **the Foundation's** purchasing/disbursement system.

The Contract Accountant is responsible for processing payments and adding vendors to the system. However, as a compensating control the President/CEO reviews and signs all checks, and dual signatures are required on checks for \$10,000 or more.

Management's Response

It is our opinion that the current process works well and as noted in the auditor's remarks, all invoices reviewed were approved.

**INDEPENDENT ACCOUNTANTS' REPORT
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(CONTINUED)**

11. We reviewed **the Foundation's** documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

None of the authorized check signers are prohibited from initiating purchases since the purchasing process is manual; however, the authorized check signers do not have access to process accounts payable or prepare checks.

Management's Response

It is our opinion that the current process works well and as noted by the auditor the authorized signers to do not have access to process accounts payable and process checks.

12. We inquired of management and observed the supply of unused checks to determine whether unused checks are maintained in a locked location, with access restricted to those persons that do not have signatory authority.

No exceptions were noted.

13. We inquired of the individual with a signature stamp whether his or her signature is maintained under his or her control or is used only with his or her knowledge and consent. We also inquired whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

The Foundation does not use a signature stamp. No exceptions were noted with regard to control over signed checks.

Credit/Debit/Fuel/P Cards

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

This procedure is not applicable; the Foundation does not have a credit/debit/fuel/P card.

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has more than 10 cards) that were used during the fiscal period and obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for the card to determine whether:

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- a) there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

- b) finance charges and/or late fees were assessed on the selected statements.

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

16. Using the monthly statements selected under #15 above, we obtained supporting documentation for all transactions for each of the cards selected.

- a) We reviewed each transaction to determine whether the transaction is supported by:
1) An original itemized receipt (i.e., identifies precisely what was purchased)

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

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

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

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

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

- b) For each transaction, we reviewed the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) for compliance with **the Foundation's** written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes).

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

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- c) For each transaction, we compared **the Foundation's** documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

This procedure is not applicable; the Foundation does not have credit/debit/fuel/P cards.

Travel and Expense Reimbursement

17. We obtained the consolidated check register for the year ended December 31, 2017 and filtered for travel reimbursements. We obtained management's representation that the consolidated check register population is complete.

No exceptions were noted.

18. We obtained **the Foundation's** written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) to determine whether there are any amounts that exceed GSA rates.

The Foundation does not have established reimbursement rates related to hotel costs. No exceptions were noted with regard to other travel expense reimbursement rates.

Management's Response

Our policy is to use the GSA rate to determine reimbursement for hotels. We will update our policies to reflect such.

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

- a) We compared expense documentation to written policies to determine whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).

No exceptions were noted.

- b) We determined whether each expense is supported by:

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(CONTINUED)**

- 1) An original itemized receipt that identifies precisely what was purchased.

No exceptions were noted.

- 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions were noted.

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

No exceptions were noted.

- c) We compared **the Foundation's** documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.

No exceptions were noted.

- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We noted one (1) of three (3) reimbursements was made to the President/CEO of the Foundation but did not have evidence of approval by a Board member. However, we noted that the check for the reimbursement was signed by a Board member.

Management's Response

We will develop a process where we review all reimbursements to ensure approval signatures were obtained and if not, we will follow up with the board member to obtain the approval.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period and obtained the consolidated check register for the year ended December 31, 2017 and filtered for contract payments. We obtained management's representation that the consolidated check register population is complete.

No exceptions were noted.

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

- a) We determined whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions were noted.

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code to determine whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- 1) If yes, we obtained and compared supporting contract documentation to legal requirements to determine whether **the Foundation** complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

This procedure is not applicable; the Foundation is not subject to Louisiana Public Bid Law.

- 2) If no, we obtained supporting contract documentation to determine whether **the Foundation** solicited quotes as a best practice.

We noted that the Foundation did not solicit additional quotes as a best practice for any of the five (5) contracts selected.

Management's Response

We will develop a policy to obtain three (3) quotes for work performed over a certain amount. We will document those quotes and also explain the reason for the selection.

- c) We determined whether the contract was amended, and if so, we determined whether the original contract terms contemplated or provided for such an amendment.

No exceptions were noted.

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- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, and compared the invoice to the contract terms, to determine whether the invoice and related payment complied with the terms and conditions of the contract.

We noted that one payment of \$4,500 was \$2,500 greater than the original contract price.

Management's Response

In the future, we will document why actual payments may exceed the contract and place in the file.

- e) We obtained and reviewed contract documentation and board minutes to determine whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

The Foundation does not have a formal contracting policy; therefore, Board approval is not required for contracts.

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries. We randomly selected the five employees, obtained their personnel files, and:

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

No exceptions were noted.

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

No exceptions were noted.

23. We obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee (July 2, 2017 to July 15, 2017). Within that pay period, we randomly selected 25 employees to determine whether:

- a) all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions were noted.

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- b) there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

No exceptions were noted.

- c) there is written documentation that **the Foundation** maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.

We noted the Foundation only has one part-time employee for which no leave was authorized until mid-December 2017, and no leave was taken during 2017; therefore this procedure is not applicable.

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

This procedure is not applicable; no employee was terminated during the year.

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

No exceptions were noted.

Ethics

26. Using the five randomly selected employees from procedure #22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management to determine whether **the Foundation** maintained documentation to demonstrate that required ethics training was completed. We also reviewed the employee files for the employees selected to determine whether there was a signed verification of having read the ethics policy included in the file.

This procedure is not applicable to nonprofits.

INDEPENDENT ACCOUNTANTS' REPORT
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(CONTINUED)

27. We inquired of management whether any alleged ethics violations were reported to **the Foundation** during the fiscal period and, if applicable, reviewed documentation demonstrating that management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with **the Foundation's** ethics policy.

This procedure is not applicable to nonprofits.

Debt Service

28. If debt was issued during the fiscal period, we obtained supporting documentation from **the Foundation** to determine whether State Bond Commission approval was obtained.

This procedure is not applicable; the Foundation has no debt.

29. If **the Foundation** had outstanding debt during the fiscal period, we obtained supporting documentation from **the Foundation** and report whether **The Foundation** made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

This procedure is not applicable; the Foundation has no debt.

30. If **the Foundation** had tax millages relating to debt service, we obtained supporting documentation to determine whether millage collections exceeded debt service payments by more than 10% during the fiscal period.

This procedure is not applicable; the Foundation has no debt.

Other

31. We inquired of management whether **the Foundation** had any misappropriations of public funds or assets. If so, we obtained and reviewed supporting documentation to determine whether **the Foundation** reported the misappropriation to the Louisiana Legislative Auditor and the District Attorney of Orleans Parish.

Per management, there were no misappropriations of public funds or assets reported during the fiscal period.

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(CONTINUED)**

32. We observed **the Foundation's** premises and website to determine whether **the Foundation** posted the notice required by R.S. 24:523.1.

The Foundation did not have the notice required by R.S. 24:523.1 posted on its website or on its premises.

Management's Response

We were not aware that we were required to post this notice. As soon as we learned this information, we posted the notice in the kitchen area of the office and also on the website.

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

No exceptions were noted.

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those control and compliance 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.

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



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New Orleans, Louisiana

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