

EISNER&ER

PONTCHARTRAIN CONSERVANCY

FINANCIAL STATEMENTS

DECEMBER 31, 2024

**Pontchartrain
Conservancy**



SCIENCE FOR OUR COAST. SINCE 1989.



PONTCHARTRAIN CONSERVANCY

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Pontchartrain Conservancy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pontchartrain Conservancy (the "Organization"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 25 is presented for purposes of additional analysis and is 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 other 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.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
June 26, 2025



PONTCHARTRAIN CONSERVANCY**STATEMENT OF FINANCIAL POSITION**
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 296,384	\$ 585,977
Restricted cash	199,858	310,119
Grants receivable	199,353	232,226
Contracts receivable	13,118	23,452
Contribution receivable	10,000	-
Inventory	14,458	16,216
Prepaid expenses and deposits	1,125	817
Other receivables	66,899	5,893
Investments	361,724	124,030
Other current assets	6,256	6,256
Total current assets	<u>1,169,175</u>	<u>1,304,986</u>
<u>NONCURRENT ASSETS</u>		
Property and equipment, net	728,592	748,701
Right-of-use assets, net	47,801	118,722
Total assets	<u>\$ 1,945,568</u>	<u>\$ 2,172,409</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 87,813	\$ 101,108
Accrued liabilities	125,388	96,112
Refundable advances	276,379	283,377
Notes payable, current portion	18,345	17,984
Lease liability, current portion	52,269	76,641
Total current liabilities	<u>560,194</u>	<u>575,222</u>
<u>NONCURRENT LIABILITIES</u>		
Notes payable, net of current portion	455,997	474,330
Lease liability, net of current portion	-	52,269
Total liabilities	<u>1,016,191</u>	<u>1,101,821</u>
<u>NET ASSETS</u>		
Without donor restrictions	335,780	430,058
With donor restrictions	593,597	640,530
Total net assets	<u>929,377</u>	<u>1,070,588</u>
Total liabilities and net assets	<u>\$ 1,945,568</u>	<u>\$ 2,172,409</u>

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

PONTCHARTRAIN CONSERVANCY**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues and Support</u>			
Contracts- Federal	\$ 9,065	\$ -	\$ 9,065
Contracts- Non Federal	403,532	-	403,532
Grants- Federal	307,118	15,000	322,118
Grants- Non-Federal	1,409,715	203,879	1,613,594
Contributions	517,938	104,350	622,288
Fundraising			
Events (Net of direct benefits to donors of \$36,077)	(16,412)	-	(16,412)
Exchange portion of dues and grants	(149)	-	(149)
Lighthouse			
Museum admissions	21,275	-	21,275
Facility rental	20,000	-	20,000
Museum shop (Net of direct merchandise expense of \$8,527)	6,547	-	6,547
Occupancy	9,060	-	9,060
In-kind Donations			
Donated goods	304,253	-	304,253
Donated services	166,448	-	166,448
Other Income			
Investment income	25,630	117	25,747
Miscellaneous income	17,936	-	17,936
Fee for service	902	-	902
Net assets released from restrictions	370,279	(370,279)	-
Total revenues and other support	<u>3,573,137</u>	<u>(46,933)</u>	<u>3,526,204</u>
<u>Expenses</u>			
Program expenses			
Community outreach	1,456,448	-	1,456,448
Scientific programs	1,452,998	-	1,452,998
Total program expenses	<u>2,909,446</u>	<u>-</u>	<u>2,909,446</u>
Supporting services			
Fundraising	94,075	-	94,075
Management and general	663,894	-	663,894
Total supporting services	<u>757,969</u>	<u>-</u>	<u>757,969</u>
Total expenses	<u>3,667,415</u>	<u>-</u>	<u>3,667,415</u>
Change in net assets	(94,278)	(46,933)	(141,211)
<u>Net Assets, Beginning of Year</u>	<u>430,058</u>	<u>640,530</u>	<u>1,070,588</u>
<u>Net Assets, End of Year</u>	<u>\$ 335,780</u>	<u>\$ 593,597</u>	<u>\$ 929,377</u>

The accompanying notes are an integral part of this financial statement.

PONTCHARTRAIN CONSERVANCY**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contracts- Federal	\$ 19,272	\$ -	\$ 19,272
Contracts- Non Federal	216,826	-	216,826
Grants- Federal	589,126	21,000	610,126
Grants- Non-Federal	1,309,147	319,718	1,628,865
Contributions	423,701	108,013	531,714
Fundraising			
Events (Net of direct benefits to donors of \$33,606)	(13,935)	-	(13,935)
Exchange portion of dues and grants	2,352	-	2,352
Lighthouse			
Museum admissions	19,925	-	19,925
Facility rental	25,550	-	25,550
Museum shop (Net of direct merchandise expense of \$7,600)	3,689	-	3,689
Occupancy	174	-	174
In-kind Donations			
Donated goods	221,536	-	221,536
Donated services	205,869	-	205,869
Other Income			
Investment income	18,608	972	19,580
Miscellaneous income	35,182	-	35,182
Fee for service	57,512	-	57,512
Gain on disposal of asset	11,000	-	11,000
Net assets released from restrictions	410,654	(410,654)	-
Total revenues and other support	<u>3,556,188</u>	<u>39,049</u>	<u>3,595,237</u>
Expenses			
Program expenses			
Community outreach	1,523,208	-	1,523,208
Scientific programs	1,568,779	-	1,568,779
Total program expenses	<u>3,091,987</u>	<u>-</u>	<u>3,091,987</u>
Supporting services			
Fundraising	110,378	-	110,378
Management and general	610,871	-	610,871
Total supporting services	<u>721,249</u>	<u>-</u>	<u>721,249</u>
Total expenses	<u>3,813,236</u>	<u>-</u>	<u>3,813,236</u>
Change in net assets	(257,048)	39,049	(217,999)
Net Assets, Beginning of Year	<u>687,106</u>	<u>601,481</u>	<u>1,288,587</u>
Net Assets, End of Year	<u>\$ 430,058</u>	<u>\$ 640,530</u>	<u>\$ 1,070,588</u>

The accompanying notes are an integral part of this financial statement.

PONTCHARTRAIN CONSERVANCY**STATEMENT OF FUNCTIONAL EXPENSES**
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services		Supporting Services		
	Community Outreach	Scientific Programs	Fundraising	Management and General	Totals
Salaries and stipends	\$ 596,760	\$ 404,763	\$ 46,464	\$ 371,831	\$ 1,419,818
Fringe benefits and payroll taxes	98,276	69,625	7,077	68,093	243,071
Advertising/Public Service Announcement	108,829	-	11,394	-	120,223
Administrative expense	14,518	2,286	2,359	29,541	48,704
Computer and copier maintenance	36,408	27,291	8,919	24,638	97,256
Contractual services	29,260	164,170	498	20,319	214,247
Insurance	43,997	40,502	1,483	16,501	102,483
Occupancy	8,359	4,701	1,091	2,747	16,898
Printing and postage	2,017	461	2,083	122	4,683
Professional services	163,314	267,014	5,539	91,125	526,992
Repairs and maintenance	4,025	-	-	-	4,025
Supplies and equipment	104,830	73,202	3,490	8,270	189,792
Utilities	19,435	7,940	81	11,436	38,892
Travel	13,666	7,171	3,597	18,706	43,140
Vehicle and boat maintenance	18	2,163	-	-	2,181
Depreciation expense	44,345	9,042	-	-	53,387
Amortization expense	-	70,921	-	-	70,921
In-kind donations	168,391	301,746	-	565	470,702
Total expenses per the statement of activities	1,456,448	1,452,998	94,075	663,894	3,667,415
Expenses netted against revenue					
Event expenses	19	-	35,836	222	36,077
Museum shop expenses	8,527	-	-	-	8,527
Total expenses	\$ 1,464,994	\$ 1,452,998	\$ 129,911	\$ 664,116	\$ 3,712,019

The accompanying notes are an integral part of this financial statement.

PONTCHARTRAIN CONSERVANCY**STATEMENT OF FUNCTIONAL EXPENSES**
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services		Supporting Services		
	Community Outreach	Scientific Programs	Fundraising	Management and General	Totals
Salaries and stipends	\$ 494,902	\$ 454,787	\$ 47,331	\$ 387,081	\$ 1,384,101
Fringe benefits and payroll taxes	80,723	78,704	6,622	58,775	224,824
Advertising/Public Service Announcement	197,650	-	17,414	1,111	216,175
Administrative expense	11,944	9,166	2,040	30,309	53,459
Computer and copier maintenance	27,312	30,059	8,960	22,820	89,151
Contractual services	495	152,274	-	-	152,769
Insurance	33,030	28,908	1,139	8,657	71,734
Occupancy	2,631	977	2,687	4,558	10,853
Printing and postage	2,542	155	4,147	386	7,230
Professional services	270,767	466,961	1,390	63,512	802,630
Repairs and maintenance	1,342	291	156	-	1,789
Supplies and equipment	79,570	47,522	5,936	9,638	142,666
Utilities	18,163	9,373	601	12,478	40,615
Travel	19,765	23,676	1,142	9,954	54,537
Vehicle and boat maintenance	-	6,517	-	-	6,517
Depreciation expense	51,048	5,714	-	-	56,762
Amortization expense	70,020	-	-	-	70,020
In-kind donations	161,304	253,695	10,813	1,592	427,404
Total expenses per the statement of activities	1,523,208	1,568,779	110,378	610,871	3,813,236
Expenses netted against revenue					
Event expenses	292	-	33,091	223	33,606
Museum shop expenses	7,600	-	-	-	7,600
Total expenses	\$ 1,531,100	\$ 1,568,779	\$ 143,469	\$ 611,094	\$ 3,854,442

The accompanying notes are an integral part of this financial statement.

PONTCHARTRAIN CONSERVANCY**STATEMENTS OF CASH FLOWS**
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (141,211)	\$ (217,999)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	53,387	56,762
Right-of-use asset amortization	70,921	70,020
Interest and dividends	(10,647)	(3,128)
Net realized and unrealized gain on investments	(10,112)	(10,335)
Change in assets and liabilities		
Grants receivable	32,873	89,681
Contracts receivable	10,334	-
Contribution receivable	(10,000)	-
Other receivables	(61,006)	26,399
Prepaid expenses and deposits	(308)	(466)
Inventory	1,758	(665)
Accounts payable	(13,295)	9,071
Accrued liabilities	29,276	35,259
Refundable advances	(6,998)	4,697
Operating lease liability	(76,641)	(73,771)
Net cash used in operating activities	<u>(131,669)</u>	<u>(14,475)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(33,278)	(1,163)
Purchases of investments	(393,058)	(10,100)
Proceeds from sales of investments	176,123	21,008
Net cash provided by (used in) investing activities	<u>(250,213)</u>	<u>9,745</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments on notes payable	<u>(17,972)</u>	<u>(14,811)</u>
Net cash used in financing activities	<u>(17,972)</u>	<u>(14,811)</u>
Net change in cash and cash equivalents	(399,854)	(19,541)
Cash and cash equivalents, beginning of year	896,096	915,637
Cash and cash equivalents, end of year	<u><u>\$ 496,242</u></u>	<u><u>\$ 896,096</u></u>
<u>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION:</u>		
Cash and cash equivalents	\$ 296,384	\$ 585,977
Restricted cash	199,858	310,119
Total cash and cash equivalents	<u><u>\$ 496,242</u></u>	<u><u>\$ 896,096</u></u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid for interest	<u><u>\$ 12,697</u></u>	<u><u>\$ 13,037</u></u>

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

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Organization and Summary of Significant Accounting Policies

Organization

Pontchartrain Conservancy (the Organization) is a non-profit, publicly supported organization established under 501(c)(3) of the Internal Revenue Code. It was established and incorporated on September 19, 1989 by Act 716 of the 1989 Louisiana Legislature for the purpose of the restoration and preservation of the environmental and ecological balance of the Lake Pontchartrain Basin.

On January 20, 1998, Save Our Lake Endowment, Inc. (the Endowment) was established by the Organization to operate as a 501(c)(3) organization whose mission was to financially support the Organization and its continuing efforts to restore and maintain Lake Pontchartrain. The Endowment was a Trust established for the exclusive benefit of the Organization. The Organization was the sole beneficiary of the Trust. The Trust, as amended, provided that the Trustees could declare and distribute the income and principal of the Trust to the Organization if the Endowment's Board of Trustees declared that it is in the best interest of the Organization. In 2023, the Endowment was officially terminated pursuant to the terms of the Trust and the unanimous vote of the Trustees. A Petition to Terminate was filed and an Order was signed by the Judge terminating the Trust. The remaining assets in the Trust were released from restriction and distributed to the Organization.

Prior to the dissolution in 2023, the Organization consolidated its financial statements with the Endowment. The Organization's financial statements as of December 31, 2024, are not consolidated as the Endowment was terminated and those assets were released from restriction to the Organization.

The Organization operates the following programs and supporting services:

Community Outreach

Outreach activities provide information and referrals regarding our research and educational information to those that live within and around the Pontchartrain Basin.

Scientific Programs

The Organization also undertakes research in areas such as urban and rural storm water, wastewater treatment systems, industrial discharges, agricultural discharges, saltwater intrusion, coastal land loss, and habitat restoration.

Fundraising

Fundraising consists of raising funds, whether through grants, events, or otherwise, which provides for programs, operations, and the mission of the Organization.

Management and General

Management and general consist of oversight, general and financial operations, and technology maintenance for the Organization.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Basis of Presentation of Net Assets

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net Assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of one year or less to be cash equivalents.

Investments

Investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Investment return is reported as increases or decreases in net assets without donor restrictions unless the income is restricted by the donor or law.

Grants Receivable

Grants receivable consists of the unpaid balances for government grants. Grants are billed to government agencies based on expenses incurred on a reimbursement basis. Management considers the receivable balance to be fully collectible, and as a result, an allowance for doubtful accounts is not recorded.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Contracts Receivable

Contracts receivable consists of the unpaid balances for government contracts. Contracts are billed to government agencies based on services that have been completed as of the invoice date. As of December 31, 2024, 2023, and 2022, contracts receivable are \$13,118, \$23,452, and \$16,190, respectively. The Organization develops an estimate of credit losses based on historical information, current conditions, and reasonable and supportable forecasts. There have been no credit losses identified from a historical perspective for the Organization nor have credit losses been identified related to current economic conditions. Management considers the receivable balance to be fully collectible, and as a result, an allowance for credit losses is not recorded.

Contribution Receivable

Contribution receivables (unconditional promises to give) are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give that is, those with a measurable performance or other barrier, and a right of return are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give for the years ended December 31, 2024 and 2023.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows.

An allowance for doubtful accounts on contribution receivables is based on historical experience and current economic conditions. Management has determined that all contribution receivables are collectible and therefore, no allowance for doubtful accounts has been established.

Inventories

Inventories consist of goods for sale at the Lighthouse gift shop and are stated at the weighted-average cost method.

Other Receivables

Other receivables mainly consist of amounts due from tour groups and settlements from credit card purchases. The Organization develops an estimate of credit losses based on historical information, current conditions, and reasonable and supportable forecasts. There have been no credit losses identified from a historical perspective for the Organization nor have credit losses been identified related to current economic conditions. Management considers the receivable balance to be fully collectible, and as a result, an allowance for doubtful accounts is not recorded.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost when purchased and at fair market value when received as a donation. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures, improvements, renewals, and betterments of \$500 or more are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of property and equipment range from 3 to 40 years. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts, and any resulting gain or loss is recorded in the change in net assets.

Revenue Recognition

The Organization utilizes the guidance in Accounting Standard Update ("ASU") 2018-08 in the assessment of whether revenue is an exchange transaction or contribution and considers factors including commensurate value received, reciprocity, and donor-imposed conditions.

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Grant revenues are derived from cost-reimbursable federal, state, and local government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Government contract revenues are recognized when a performance obligation is provided through a service. Amounts received prior to meeting performance requirements, incurring qualifying expenditures, or fulfilling performance obligations are reported as refundable advances in the statements of financial position. The Organization reported refundable advances related to government grants totaling \$276,379 and \$283,377 as of December 31, 2024 and 2023, respectively.

The Organization recognizes revenue from museum admissions and merchandise at the point of sale.

Special events revenue includes the cost of direct benefits to donors and contribution revenue. Direct benefits to donors for special events are generally received within the fiscal year the payments are received. If the direct benefits are received subsequent to the fiscal year end, revenue will be recognized in the period the benefits are received.

Rental revenue from the New Canal Lighthouse Museum is recognized when the performance obligation of the rental has occurred.

In-Kind Donations

The value of contributed services is recorded, at fair value, as revenues and support and expenses in the period received, provided there is an objective basis for measurement of the value of such services and they are significant, require specialized skills and form an integral part of the Organization's efforts. See Note 12 for the detail of in-kind donations for 2024 and 2023.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from State income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes has been included in the financial statements.

FASB ASC 740 provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an Organization's financial statement. As of December 31, 2024, the Organization has determined that it does not have any uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax returns generally remain subject to examination by the taxing authorities for three years.

Functional Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification. If an expenditure benefits more than one program or function, the allocation is based on direct relation to each program or function. The expenses that are allocated include salaries, employee benefits, and payroll taxes which are allocated based on hours worked on each identified program or grant. Depreciation, maintenance, supplies, legal and professional fees, printing and publications, and other expenses are allocated on the basis of staff head count. Insurance and occupancy are allocated based on square footage.

Leases

The Organization has entered into several lease agreements. Determination of leases is made at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Compensated Absences

The Organization currently employs a compensated absences policy to which employees earn an escalating number of paid compensation hours each year based on the length of service provided to the Organization. Employees may carry over and accumulate annual leave time up to a maximum of 120 hours without forfeiture. As of December 31, 2024 and 2023, employees of the Organization had accumulated \$54,823 and \$42,016, respectively, of employee leave benefits. These amounts are included on the statements of financial position in accrued liabilities.

Advertising Expenses

The Organization expenses advertising costs as incurred. Advertising expense was \$120,223 and \$216,175 for the years ended December 31, 2024 and 2023, respectively.

2. Cash Restricted for Program and Capital Expenditures

In accordance with Environmental Protection Agency grant agreements, the Organization is required to maintain separate checking accounts, the funds of which are restricted to the purpose of such grant agreement. As of December 31, 2024 and 2023, \$199,858 and \$310,119, respectively, was restricted for such program expenditures.

3. Liquidity and Availability

The following presents the Organization's financial assets and those available to meet general expenditures within one year at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 296,384	\$ 585,977
Grants receivable	199,353	232,226
Contracts receivable	13,118	23,452
Contribution receivable	10,000	-
Other receivables	66,899	5,893
Operating investments	348,159	111,359
Total	<u>\$ 933,913</u>	<u>\$ 958,907</u>

The Organization's objective is to maintain liquid financial assets without donor restrictions sufficient to cover twelve months of program expenditures.

Additionally, the Organization records in-kind donations that funded approximately 13% and 12% of annual program and supporting activities for 2024 and 2023, respectively. See Note 12 for more information regarding these donations.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. Concentration of Credit Risk

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). In addition, the Organization has cash equivalent accounts with a brokerage firm. The Securities Investor Protection Corporation insures these accounts up to \$250,000. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. The Organization attempts to minimize risk in this area by sweeping all funds over \$100,000 from its operating account to a nightly investment sweep account.

5. Property and Equipment

Property and equipment consist of the following as of December 31:

	2024	2023
Land	\$ 12,360	\$ 12,360
Lighthouse building	1,084,053	1,084,053
Boat and other program equipment	262,587	229,309
Leasehold improvements	213,207	213,207
Computer equipment	49,430	49,430
Furniture and fixtures	12,819	12,819
	<u>1,634,456</u>	<u>1,601,178</u>
Less accumulated depreciation	<u>(905,864)</u>	<u>(852,477)</u>
Property and equipment, net	<u>\$ 728,592</u>	<u>\$ 748,701</u>

Depreciation expense was \$53,387 and \$56,762 for the years ended December 31, 2024 and 2023, respectively.

6. Investments

Investments at December 31 consist of the following:

	2024	2023
Mutual Funds	\$ 280,626	\$ 52,696
Exchange Traded Funds	49,667	42,123
Pooled Investment Accounts	31,431	29,211
	<u>\$ 361,724</u>	<u>\$ 124,030</u>

7. Fair Value of Financial Instruments

Under the provisions of FASB ASC Topic, *Fair Value Measurement*, fair value is defined as the price that would be received in the sale of an asset or paid in the transfer of a liability in an orderly transaction between market participants at the measurement date.

This guidance establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. Fair Value of Financial Instruments (continued)

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1- Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgement.

Level 2- Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3- Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2024.

Pooled Investments- The fair value is determined by use of the calculated net asset value (NAV) per ownership share.

Mutual Funds- The fair value of investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment.

The valuation of the Organization's assets measured at fair value on a recurring basis at December 31, 2024, are as follows:

Assets	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 280,626	\$ -	\$ -	\$ 280,626
Exchange Traded Funds	49,667	-	-	49,667
Pooled Investment Accounts	-	31,431	-	31,431
	<u>\$ 330,293</u>	<u>\$ 31,431</u>	<u>\$ -</u>	<u>\$ 361,724</u>

The valuation of the Organization's assets measured at fair value on a recurring basis at December 31, 2023, are as follows:

Assets	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 52,696	\$ -	\$ -	\$ 52,696
Exchange Traded Funds	42,123	-	-	42,123
Pooled Investment Accounts	-	29,211	-	29,211
	<u>\$ 94,819</u>	<u>\$ 29,211</u>	<u>\$ -</u>	<u>\$ 124,030</u>

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. Fair Value of Financial Instruments (continued)

A portion of the Organization's investments are held in pooled assets managed by Greater New Orleans Foundation (GNOF). The values of the Organization's investments in this pool are based on information provided by GNOF and include the use of NAV as the primary input to measure fair value. These investments are classified within Level 2 of the fair value hierarchy.

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

The Investment Pool includes investments in a well-diversified asset mix, which includes equity and fixed income securities as well as cash and alternative investments.

8. Endowment Funds

The Organization's endowments consist of the donor-restricted GNOF Endowment Fund and The SOL Endowment Fund created by the Organization, collectively referred to as the Endowment Funds. The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization retains in perpetuity:

- The original value of gifts donated to the Endowment,
- The original value of subsequent gifts to the Endowment, and
- Accumulations to the Endowment to the extent required by the applicable donor gift instrument.

The remaining portion of the donor-restricted Endowment Funds not retained in perpetuity is appropriated for expenditure by the Endowment Funds in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Endowment Funds consider the following factors in making a determination whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- Other resources of the Organization
- The investment policies of the Endowment Funds

GNOF Endowment Fund

GNOF Endowment Fund is maintained and managed by the GNOF within its investment pool. The fund is invested by GNOF with an attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. Annual distributions of income from the GNOF Endowment Fund, as determined by the Board of Trustees of GNOF, are provided to the Organization.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

8. Endowment Funds (continued)

For the year ended December 31, 2024, the GNOF Endowment Fund investment return, net totaled \$894. For the year ended December 31, 2023, the investment return, net totaled \$2,095. For the years ended December 31, 2024 and 2023, the GNOF Endowment Fund appropriations totaled \$0 and \$558, respectively.

The Save Our Lake Endowment Fund

The SOL Endowment Fund was established primarily for the purpose of maintaining the operations of the Organization and consisted of donor-restricted funds. As described in Note 1, in 2023, the Endowment's Board of Trustees elected to terminate the Endowment and distribute the funds in the trust to the Organization.

Strategies Employed for Achieving Objectives. The investment funds were invested in a savings account as of December 31, 2023 to minimize risk. The Organization's Finance Committee and the Endowment's Board reviewed investment policy and options with the goal of optimizing market returns and minimizing management expenses.

Spending Policy and How Investment Objectives Relate to the Spending Policy. Contributions to the SOL Endowment Fund were received from various donors who stipulated that the donations be used for the restoration and preservation of the environmental and ecological balance of Lake Pontchartrain.

For the year ended December 31, 2023, the SOL Endowment Fund investment return was \$1,084.

The composition of endowment net assets for the year ended December 31, 2024 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds			
GNOF Endowment Fund	\$ -	\$ 13,565	\$ 13,565

The composition of endowment net assets for the year ended December 31, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds			
GNOF Endowment Fund	\$ -	\$ 12,671	\$ 12,671

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

8. Endowment Funds (continued)

A summary of changes in the Organization's endowment net assets for the year ended December 31, 2024, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, January 1, 2024	\$ -	\$ 12,671	\$ 12,671
Investment Return, Net	-	894	894
Net Assets, December 31, 2024	<u>\$ -</u>	<u>\$ 13,565</u>	<u>\$ 13,565</u>

A summary of changes in the Organization's endowment net assets for the year ended December 31, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, January 1, 2023	\$ -	\$ 137,962	\$ 137,962
Investment Return (loss), Net	-	2,095	2,095
Appropriation of endowment assets	-	(127,386)	(127,386)
Net Assets, December 31, 2023	<u>\$ -</u>	<u>\$ 12,671</u>	<u>\$ 12,671</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that either the donor or UPMIFA required the Organization to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. There were no such deficiencies as of December 31, 2024 and 2023.

9. Leases

In May 2020, the Organization entered into a lease agreement with 3501 N. Causeway Associates for office space. The lease is to be paid in monthly installments based on an agreed upon rate per square foot. The rate increases \$0.75 per square foot after the 24th installment and 49th installment. The lease agreement ends in 2025.

The components of lease expense were as follows:

Year Ended December 31,

Operating lease cost

Operating lease cost

Total operating lease cost

	2024	2023
	\$ 52,269	\$ 128,910
	<u>\$ 52,269</u>	<u>\$ 128,910</u>

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

9. Leases (continued)

Other information related to leases was as follows:

Year Ended December 31,

2024

2023

Supplemental Cash Flows Information

Cash paid for amounts included in the measurement of lease liabilities:

Operating Leases

Operating cash flows from operating leases

\$ 77,775

\$ 75,807

Right-of-use assets obtained in exchange for lease obligations:

Operating leases

-

-

Weighted Average Remaining Lease Term

Operating leases

1.67

2.67

Weighted Average Discount Rate

Operating leases

1.21%

1.21%

Future minimum lease payments under non-cancellable leases as of December 31, 2024 are as follows:

Year Ending December 31,

2025

\$ 52,269

\$ 52,269

10. Retirement Plan

The Organization sponsors a 401(k) plan covering all employees who have completed a minimum of one year of service. Eligible plan participants may contribute to the plan, and the Organization may make matching contributions on behalf of participants of up to 5% of employee contributions. The Organization's contributions to the plan totaled \$30,999 and \$13,012 for the years ended December 31, 2024 and 2023, respectively.

11. Notes Payable

On April 26, 2020, the Organization obtained an Economic Injury Disaster Loan totaling \$500,000 from the Small Business Administration (SBA). Monthly payments, including principal and interest, of \$2,136 began on April 26, 2021. The loan has an interest rate of 2.75% and matures on April 26, 2050. The outstanding balance at December 31, 2024 and 2023 was \$469,305 and \$482,240, respectively.

On January 14, 2021, the Organization obtained a note payable to a local financial institution secured by a vehicle. The note is dated January 14, 2021 and matures on January 31, 2026. The note is payable in equal monthly installments of \$420, and it bears no interest. The outstanding balance of the note as of December 31, 2024 and 2023 was \$5,037 and \$10,074, respectively.

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

11. Notes Payable (continued)

The future payments on the notes payable as of December 31, 2024 are summarized as follows:

Year Ending December 31,		
2025	\$	18,345
2026		13,679
2027		14,060
2028		14,451
2029		14,854
Thereafter		398,953
	\$	<u>474,342</u>

12. In-Kind Donations

The Organization receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and otherwise would be purchased by the Organization. The Organization recognizes in-kind contributions revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

All donated goods and services were utilized by Pontchartrain Conservancy's programs and supporting services. There were no donor-imposed restrictions associated with the donated goods and services. The fair market value of donated services are determined with reference to the U.S. Bureau of Labor's most recent Occupational Employment and Wage Statistics. Donated goods are valued at the prices that would be received for selling the same or similar products.

In-kind donations for the year ended December 31, 2024, are as follows:

	Donated Services	Donated Goods	Total
Management and general	\$ 565	\$ -	\$ 565
Communications	26,673	-	26,673
New Canal Light House	28,538	27,633	56,171
Outreach	39,962	-	39,962
Education	-	37,483	37,483
Coastal sustainability	40,959	96,405	137,364
Water quality	29,751	142,732	172,483
	<u>\$ 166,448</u>	<u>\$ 304,253</u>	<u>\$ 470,701</u>

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

12. In-Kind Donations (continued)

In-kind donations for the year ended December 31, 2023, are as follows:

	Donated Services	Donated Goods	Total
Management and general	\$ 1,592	\$ -	\$ 1,592
Information Technology	-	210	210
Communications	32,489	-	32,489
Special events	4,808	6,005	10,813
New Canal Light House	40,080	7,750	47,830
Outreach	41,399	-	41,399
Education	26,669	12,917	39,586
Coastal sustainability	44,962	68,156	113,118
Water quality	13,870	126,498	140,368
	<u>\$ 205,869</u>	<u>\$ 221,536</u>	<u>\$ 427,405</u>

13. Restrictions on Net Assets

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the Organization, or time restricted. These restrictions are considered to expire when expenditures for restricted purposes are made, or when time has passed for time-restricted net assets.

The following sets forth the composition of net assets with donor restrictions as of December 31:

	2024	2023
Purpose restrictions:		
Coastal sustainability	\$ 435,674	\$ 434,833
Outreach and education	87,863	137,260
New Canal Lighthouse Museum	38,987	55,566
Water quality	17,508	200
	<u>580,032</u>	<u>627,859</u>
Endowment Funds:		
Original gifts restricted in perpetuity	13,565	12,671
	<u>13,565</u>	<u>12,671</u>
Total	<u>\$ 593,597</u>	<u>\$ 640,530</u>

PONTCHARTRAIN CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

13. Restrictions on Net Assets (continued)

The following net assets with donor restrictions were released during the years ended December 31, 2024 and 2023, due the following donor restrictions:

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Coastal sustainability	\$ 286,603	\$ 362,816
Outreach and education	49,478	37,870
New Canal Lighthouse Museum	22,707	9,968
Water quality	11,491	-
Total	<u>\$ 370,279</u>	<u>\$ 410,654</u>

14. Risk and Uncertainties

Investments in various securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risk in the near-term would materially affect the fair market value of investments held by the Organization.

15. Subsequent Events

On January 27, 2025, the Office of Management and Budget (OMB) of the United States Federal Government instituted a pause (freeze) on the disbursement of federal grant and loan funds, which became effective on January 28, 2025. The extent to which the funding freeze impacts the Organization's operations, financial results, and cash flows, both current and future, will depend on future developments, which are highly uncertain and cannot be predicted with any measure of certainty or probability. As a result, the Organization is unable to estimate what impact, if any, the funding freeze has on the December 31, 2024 financial statements or the Organization's future operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2025, and determined that there were no other events that occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTAL INFORMATION

PONTCHARTRAIN CONSERVANCY

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024**

Agency Head Name: Kristi Trail, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 167,004
Benefits - insurance	19,731
Benefits - retirement	3,338
Benefits - taxes	11,984
Benefits - other	2,126
Car allowance	10,698
Travel	1,337
	<u>\$ 216,218</u>

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 Trustees of
Pontchartrain Conservancy

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Pontchartrain Conservancy (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
June 26, 2025





PONTCHARTRAIN CONSERVANCY
REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON COMPLIANCE
AND CONTROL AREAS
FOR THE YEAR ENDED DECEMBER 31, 2024



PONTCHARTRAIN CONSERVANCY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of Directors of Pontchartrain Conservancy and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Pontchartrain Conservancy for the fiscal period January 1, 2024 through December 31, 2024. Pontchartrain Conservancy's management is responsible for those C/C areas identified in the SAUPs.

The Pontchartrain Conservancy has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2024, through December 31, 2024. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Pontchartrain Conservancy to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Pontchartrain Conservancy for the fiscal period January 1, 2024 through December 31, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



EISNERAMPER LLP

Metairie, Louisiana

June 26, 2025

**PONTCHARTRAIN CONSERVANCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *“no exception noted”* or for step 13 *“we performed the procedure and discussed the results with management”*. If not, then a description of the exception ensues.

1) Written Policies and Procedures

- A. Obtain and inspect the organization’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the organization’s operations):

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

No exception noted.

- ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

Exception noted. Pontchartrain Conservancy has an information technology disaster recovery policy, but it does not specifically state (3) the periodic testing/verification that backups can be restored. The other attributes were addressed in the policy.

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

No exception noted.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

3) Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 11 bank accounts. Management identified the organization's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending December 31, 2024, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

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

No exception noted.

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

For one of the two bank accounts with reconciling items that have been outstanding for more than twelve months of the statement closing date, there was no documentation reflecting research of those reconciling items.

4) Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided and included a total of 2 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 2 deposit sites and performed the procedures below.

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

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 2 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 1 collection location for each deposit site. Review of the Organization's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

Exception noted. For 1 of the 2 collection locations selected for testing, employees responsible for collecting cash share cash drawers / registers.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

We randomly selected 2 deposit dates for each of the 5 bank accounts selected in procedure #3A. For 2 of the bank accounts there were no deposits and for 1 of the bank accounts there was only 1 deposit. We obtained supporting documentation for each of the 5 deposits and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

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

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

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

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

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

No exception noted.

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

No exception noted.

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- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected 10 transactions, or all transactions if less than 10, from each statement and obtained supporting documentation for the transactions. For 1 out of the 30 transactions selected for testing, it was not supported by (1) an original itemized receipt that identifies precisely what was purchased. All other attributes were present.

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

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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8) Contracts

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

9) Payroll and Personnel

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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Schedule A

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

**PONTCHARTRAIN CONSERVANCY
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

11) Debt Service

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

12) Fraud Notice

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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Schedule A

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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Schedule A

14) Prevention of Sexual Harassment

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA guidelines.

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

Procedures were not performed in the current year (year 2) in accordance with LLA

**PONTCHARTRAIN CONSERVANCY
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
December 31, 2024**

Schedule B

Management's Response to Statewide Agreed-Upon Pontchartrain Conservancy

In response to written policies and procedures exception 1(xi):

Pontchartrain Conservancy's IT Policy states that records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping the organization operating in an emergency will be duplicated or backed up at least every week and maintained off site. The organization's management will work with its IT provider to determine a schedule for periodic testing and verification that backups can be restored.

In response to bank reconciliations exception 3(a)(iii):

Going forward, Pontchartrain Conservancy will endeavor to document more thoroughly any bank items that have been outstanding for more than twelve months.

In response to collections exception 4(b)(i):

Pontchartrain Conservancy has two employees primarily handling all gift shop sales. Management has assessed its need for separate cash registers and, given the minimal amount of cash on hand at any given time, has determined that one cash register remains appropriate. Pontchartrain Conservancy will reassess the need for multiple cash registers should the volume of sales at the gift shop increase in the future.

In response to credit cards exception 6(c):

Pontchartrain Conservancy management understands the importance of itemized receipts and plans to remove credit card access to cardholders that are unable to meet this requirement on a consistent basis.