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**CONTRACTOR'S EDUCATIONAL TRUST FUND**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

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Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

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FINANCIAL STATEMENTS

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(SEE ACCOUNTANTS' REVIEW REPORT)

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

Board of Trustees  
Contractor's Educational Trust Fund  
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of the Contractor's Educational Trust Fund (the Fund) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and net assets and cash flows for the years then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reported whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 28, 2018

**CONTRACTOR'S EDUCATIONAL TRUST FUND**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

	<u>2017</u>	<u>2016</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 208,170	\$ 403,562
Accrued interest	5	4
<b><u>TOTAL ASSETS</u></b>	<u>\$ 208,175</u>	<u>\$ 403,566</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 3,500	\$ -
<b><u>NET ASSETS</u></b>		
Unrestricted	204,675	403,566
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 208,175</u>	<u>\$ 403,566</u>

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

**CONTRACTOR'S EDUCATIONAL TRUST FUND**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

	2017	2016
<b><u>REVENUES</u></b>		
Contributions received	\$ 224,961	\$ 349,214
Interest income	71	70
Total revenues	225,032	349,284
<b><u>EXPENSES</u></b>		
<b>General</b>		
Accounting and professional services	3,500	5,895
Bank custodial fees	2,750	2,750
Dues	6,000	7,928
Insurance	-	4,124
Legal fees	6,609	6,006
Miscellaneous	64	-
	18,923	26,703
<b>Program</b>		
Contributions made	405,000	826,000
Training	-	5,826
	405,000	831,826
Total expenses	423,923	858,529
Change in net assets	(198,891)	(509,245)
<b><u>NET ASSETS - UNRESTRICTED</u></b>		
Beginning of year	403,566	912,811
End of year	\$ 204,675	\$ 403,566

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

**CONTRACTOR'S EDUCATIONAL TRUST FUND**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

	<u>2017</u>	<u>2016</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (198,891)	\$ (509,245)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accrued interest	(1)	4
Accounts payable	3,500	-
Net cash used in operating activities	<u>(195,392)</u>	<u>(509,241)</u>
Net change in cash	(195,392)	(509,241)
Cash, beginning of year	<u>403,562</u>	<u>912,803</u>
Cash, end of year	<u>\$ 208,170</u>	<u>\$ 403,562</u>

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

**CONTRACTOR'S EDUCATIONAL TRUST FUND**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Description of Fund**

The Contractor's Educational Trust Fund (the Fund) was established as a not for profit organization to provide funds to Universities in Louisiana who meet the eligibility requirements to further the education of interested persons in the field of construction contracting in and for the State of Louisiana.

**2. Significant Accounting Policies**

Basis of Accounting

The Fund prepares its financial statements on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows U.S. generally accepted accounting principles (GAAP), which requires the Fund to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Fund did not have any temporarily or permanently restricted net assets at December 31, 2017 or 2016.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. For the years ended December 31, 2017 and 2016, 100% of the contributions received were provided by the Louisiana State Licensing Board for Contractors. There were no temporarily or permanently restricted contributions received.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Fund considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

**CONTRACTOR'S EDUCATIONAL TRUST FUND**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**2. Significant Accounting Policies (continued)**

Income Taxes

The Fund has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. The Fund received a letter from the IRS stating such exemption. Accordingly, no provision for income taxes has been made. However, should the Fund engage in activities unrelated to the purpose for which it was created, this could result in taxable income. The Fund had no unrelated business income for the fiscal years ended December 31, 2017 or 2016.

Accounting Pronouncements Issued but Not Yet Adopted

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. This standard will be effective for periods beginning after December 15, 2018.

In February 2016, the FASB issued ASU 2016-02, Leases. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2019.

On August 18, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosure of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how it manages its liquid available resources and liquidity risk is required. This ASU is effective for fiscal years beginning after December 15, 2017.

The Fund is currently assessing the impact of these pronouncements on its financial statements.

**3. Custodial Credit Risk**

There are times the Funds cash balances with financial institutions may be in excess of the FDIC insured limits. The Fund has not experienced any losses in its cash accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

**4. Concentration of Revenue**

All revenue received was in the form of contributions from the Louisiana Contractors Licensing Board. These funds were used to fulfill the purpose of the Fund, as established in its trust document.

**CONTRACTOR'S EDUCATIONAL TRUST FUND**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. Compliance with Act 706 of the 2014 Regular Session**

Act 706 amends R.S. 24:513(A)(3) and requires that the total compensation, reimbursements, and benefits of an agency head, political subdivision, or chief executive officer be reported as a supplemental report within the financial statement of the local auditee. The Contractor's Educational Trust Fund is governed by the board of directors and no compensation or reimbursements are paid to the board; therefore, no supplemental schedule has been included as a part of these financial statements.

**6. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2018 and determined that no events occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

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

Board of Trustees  
Contractor's Educational Trust Fund  
Baton Rouge, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Contractor's Educational Trust Fund (the Fund), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Contractor's Educational Trust Fund's compliance with certain laws and regulations during the year ended December 31, 2017, included in the accompanying Louisiana Attestation Questionnaire. Management of Contractor's Education Trust Fund is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

*No grants were received by the Fund during the year ended December 31, 2017. All revenue received was in the form of contributions from the Louisiana Contractors Licensing Board. These funds were used to fulfill the purpose of the Fund, as established in its trust document.*

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

*Not applicable due to no grants being received during the year ended December 31, 2017.*

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

*Not applicable due to no grants being received during the year ended December 31, 2017.*

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

*Not applicable due to no grants being received during the year ended December 31, 2017.*

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.  
*Not applicable due to no grants being received during the year ended December 31, 2017.*

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements:

*Not applicable due to no grants being received during the year ended December 31, 2017.*

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

*Not applicable due to no grants being received during the year ended December 31, 2017.*

#### Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

*Management has asserted that no meetings were held during the year ended December 31, 2017.*

#### Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

*Not applicable due to no grants being received during the year ended December 31, 2017.*

#### State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The Fund filed a timely report in accordance with R.S. 24:513.*

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*Not applicable as the Fund was in compliance with R.S. 24:513.*



Prior Comments  
Postlethwaite & Netterville

12. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

*No prior comments.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 management's assertions about Contractor's Educational Trust Fund's compliance with certain laws and regulations during the year ended December 31, 2017, included in the accompanying Louisiana Attestation Questionnaire. 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.

This report is intended solely for the use of management of Contractor's Education Trust Fund, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 28, 2018

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

6/27/2018 (Date Transmitted)

**Postlethwaite & Netterville**

**8550 United Plaza Blvd., Suite 1001**

**Baton Rouge, LA 70809**

(Auditors)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of **December 31, 2017** (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

*We followed the trust documents as per expenditures.* Yes [ X ] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

*There is no reporting required to the licensing board.* Yes [ X ] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [ X ] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

*No outside requirements but we have complied with trust documents.* Yes [ X ] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

*We did not have any meetings during the year ended December 31, 2017* Yes [ X ] No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

*N/A* Yes [ ] No [ ]

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ X ] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

*N/A-Due to the Contractors Education Trust Fund is not being governed by an agency head, political subdivision, or chief executive officer and there is no compensation or reimbursement paid.*

Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

*N/A*

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

*N/A - none*

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

The previous responses have been made to the best of our belief and knowledge.

<u>Ken Naquin</u>	<u>Secretary</u>	<u>6-27-18</u>	<u>Date</u>
<u>Victor Weston</u>	<u>Treasurer</u>	<u>6-27-18</u>	<u>Date</u>
<u>Patrick Gootee</u>	<u>President</u>	<u>6-27-18</u>	<u>Date</u>

**CONTRACTOR'S EDUCATION TRUST FUND**  
**SCHEDULE OF CURRENT YEAR FINDINGS**

**2017**

**Annual Financial Statements**

None

**CONTRACTOR'S EDUCATION TRUST FUND**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

**2016**                      **Annual Financial Statements**

None