

**LEGACY DONOR FOUNDATION**

**DECEMBER 31, 2017 AND 2016**

**METAIRIE, LOUISIANA**

## TABLE OF CONTENTS

### **Audited Financial Statements:**

Independent Auditor's Report	Page 1 - 2
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	16 - 17
Summary Schedule of Audit Findings	18
Summary Schedule of Prior Audit Findings	19



2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
650 Poydras Street, Suite 1200 • New Orleans, LA 70130  
Phone: 225.928.4770 • Fax: 225.926.0945  
www.htbcpa.com

## Independent Auditor's Report

To the Board of Directors  
Legacy Donor Foundation  
Metairie, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Legacy Donor Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation referenced above as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2018 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Foundation's internal control over financial reporting and compliance.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

June 28, 2018  
New Orleans, Louisiana

**LEGACY DONOR FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

AS OF DECEMBER 31, 2017 AND 2016

**ASSETS**

	2017	2016
<b>Current Assets:</b>		
Cash	\$ 340,930	\$ 331,977
Investments	-	5,085
Accounts Receivable	6,250	-
Total Assets	\$ 347,180	\$ 337,062

**LIABILITIES AND NET ASSETS**

<b>Liabilities:</b>		
Accounts Payable	\$ 3,022	\$ 3,517
Accrued Liabilities	4,733	4,915
Total Liabilities	7,755	8,432
<b>Net Assets:</b>		
Unrestricted	300,907	269,789
Temporarily Restricted	38,518	58,841
Total Net Assets	339,425	328,630
Total Liabilities and Net Assets	\$ 347,180	\$ 337,062

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

**LEGACY DONOR FOUNDATION**

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue:</b>			
Contributions	\$ 12,151	\$ -	\$ 12,151
Special Events, net of direct costs of \$137,044 and \$100,250 for 2017 and 2016, respectively	128,290	-	128,290
Grants	19,297	100,000	119,297
Net Gains/(Losses) on Investments	(487)	-	(487)
Interest Income	45	-	45
Net Assets Released from Restriction	120,323	(120,323)	-
	279,619	(20,323)	259,296
<b>Total Support and Revenue</b>			
<b>Expenses:</b>			
Program Services:			
General Awareness Campaign	156,206	-	156,206
Youth Education Initiative	9,970	-	9,970
Ourso Foundation - TV Commercials	3,945	-	3,945
Living Donor Initiative	7,228	-	7,228
	177,349	-	177,349
<b>Total Program Services</b>			
Supporting Services:			
Fundraising	16,499	-	16,499
Management and General	55,379	-	55,379
	71,878	-	71,878
<b>Total Supporting Services</b>			
	249,227	-	249,227
<b>Total Expenses</b>			
<b>Other Income:</b>			
Other Income (Expense)	726	-	726
	726	-	726
<b>Total Other Income</b>			
<b>Change in Net Assets</b>	31,118	(20,323)	10,795
<b>Net Assets - Beginning of Year</b>	269,789	58,841	328,630
<b>Net Assets - End of Year</b>	\$ 300,907	\$ 38,518	\$ 339,425

(CONTINUED)

**LEGACY DONOR FOUNDATION**

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue:</b>			
Contributions	\$ 58,228	\$ -	\$ 58,228
Special Events, net of direct costs of \$137,044 and \$100,250 for 2017 and 2016, respectively	102,453	-	102,453
Grants	17,500	15,000	32,500
Net Gains/(Losses) on Investments	-	-	-
Interest Income	133	-	133
Net Assets Released from Restriction	14,999	(14,999)	-
<b>Total Support and Revenue</b>	<b>193,313</b>	<b>1</b>	<b>193,314</b>
<b>Expenses:</b>			
Program Services:			
General Awareness Campaign	106,340	-	106,340
Youth Education Initiative	11,254	-	11,254
Ourso Foundation - TV Commercials	1,050	-	1,050
Living Donor Initiative	2,694	-	2,694
<b>Total Program Services</b>	<b>121,338</b>	<b>-</b>	<b>121,338</b>
Supporting Services:			
Fundraising	54,440	-	54,440
Management and General	49,981	-	49,981
<b>Total Supporting Services</b>	<b>104,421</b>	<b>-</b>	<b>104,421</b>
<b>Total Expenses</b>	<b>225,759</b>	<b>-</b>	<b>225,759</b>
<b>Other Income:</b>			
BP Claim Settlement	58,521	-	58,521
<b>Total Other Income</b>	<b>58,521</b>	<b>-</b>	<b>58,521</b>
<b>Change in Net Assets</b>	<b>26,075</b>	<b>1</b>	<b>26,076</b>
<b>Net Assets - Beginning of Year</b>	<b>243,714</b>	<b>58,840</b>	<b>302,554</b>
<b>Net Assets - End of Year</b>	<b>\$ 269,789</b>	<b>\$ 58,841</b>	<b>\$ 328,630</b>

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

LEGACY DONOR FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services				Supporting Services			Total Program and Support	
	General Awareness Campaign	Youth Education Initiative	Ourso Foundation - TV Commercials	Living Donor Initiative	Total Program Services	Fundraising	Management and General		Total Supporting Services
Advertising and Marketing	\$ 29,331	\$ -	\$ -	\$ 215	\$ 29,546	\$ 1,884	\$ -	\$ 1,884	\$ 31,430
Donated Advertising	-	-	-	-	-	85,000	-	85,000	85,000
Depreciation	-	-	-	-	-	-	-	-	-
Education	12,705	1,653	3,200	-	17,558	-	-	-	17,558
Entertainment, Food, and Decorations	326	-	-	13	339	22,927	330	23,257	23,596
Event Rental Expense	-	-	-	-	-	17,209	-	17,209	17,209
Insurance	532	-	-	-	532	-	5,575	5,575	6,107
Meetings and Travel	93	-	-	-	93	50	3,929	3,979	4,072
Miscellaneous	283	-	-	-	283	1,315	820	2,135	2,418
Office Supplies	816	107	-	-	923	-	5,071	5,071	5,994
Postage and Shipping	9,266	-	-	-	9,266	-	-	-	9,266
Printing and Publications	774	-	-	-	774	10,794	-	10,794	11,568
Professional Fees	8,653	-	-	-	8,653	-	10,685	10,685	19,338
Rent	750	-	-	-	750	-	3,750	3,750	4,500
Salaries and Related Benefits	67,142	7,585	745	7,000	82,472	14,364	24,831	39,195	121,667
Website Development, Hosting, and Maintenance	25,535	625	-	-	26,160	-	388	388	26,548
<b>Total Expenses</b>	<b>156,206</b>	<b>9,970</b>	<b>3,945</b>	<b>7,228</b>	<b>177,349</b>	<b>153,543</b>	<b>55,379</b>	<b>208,922</b>	<b>386,271</b>
Less: Expenses Netted with Revenues on the Statement of Activities:									
Direct Benefit Cost of Special Events	-	-	-	-	-	(137,044)	-	(137,044)	(137,044)
Total Expenses Reported by Function	<u>\$ 156,206</u>	<u>\$ 9,970</u>	<u>\$ 3,945</u>	<u>\$ 7,228</u>	<u>\$ 177,349</u>	<u>\$ 16,499</u>	<u>\$ 55,379</u>	<u>\$ 71,878</u>	<u>\$ 249,227</u>

(CONTINUED)

**LEGACY DONOR FOUNDATION**

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services					Supporting Services			Total Program and Support
	General Awareness Campaign	Youth Education Initiative	Ourso Foundation - TV Commercials	Living Donor Initiative	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Advertising and Marketing	\$ 4,658	\$ -	\$ 1,050	\$ -	\$ 5,708	\$ 1,682	\$ 27	\$ 1,709	\$ 7,417
Donated Advertising	38,400	-	-	-	38,400	58,530	-	58,530	96,930
Depreciation	-	-	-	-	-	-	721	721	721
Education	838	3,271	-	-	4,109	-	224	224	4,333
Entertainment, Food, and Decorations	76	81	-	-	157	27,152	228	27,380	27,537
Event Rental Expense	-	-	-	-	-	5,384	-	5,384	5,384
Insurance	-	-	-	-	-	-	3,443	3,443	3,443
Meetings and Travel	317	102	-	-	419	-	2,231	2,231	2,650
Miscellaneous	639	-	-	-	639	912	4,016	4,928	5,567
Office Supplies	449	-	-	-	449	-	5,455	5,455	5,904
Postage and Shipping	581	-	-	-	581	86	96	182	763
Printing and Publications	1,333	-	-	-	1,333	8,299	-	8,299	9,632
Professional Fees	10,250	-	-	-	10,250	-	10,892	10,892	21,142
Rent	-	-	-	-	-	-	4,500	4,500	4,500
Salaries and Related Benefits	46,914	7,800	-	-	54,714	48,717	16,917	65,634	120,348
Website Development, Hosting, and Maintenance	1,885	-	-	2,694	4,579	3,928	1,231	5,159	9,738
<b>Total Expenses</b>	<b>106,340</b>	<b>11,254</b>	<b>1,050</b>	<b>2,694</b>	<b>121,338</b>	<b>154,690</b>	<b>49,981</b>	<b>204,671</b>	<b>326,009</b>
Less: Expenses Netted with Revenues on the Statement of Activities:									
Direct Benefit Cost of Special Events	-	-	-	-	-	(100,250)	-	(100,250)	(100,250)
<b>Total Expenses Reported by Function</b>	<b>\$ 106,340</b>	<b>\$ 11,254</b>	<b>\$ 1,050</b>	<b>\$ 2,694</b>	<b>\$ 121,338</b>	<b>\$ 54,440</b>	<b>\$ 49,981</b>	<b>\$ 104,421</b>	<b>\$ 225,759</b>

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

# LEGACY DONOR FOUNDATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ 10,795	\$ 26,076
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	-	721
Realized (Gains) Losses on Investments	487	-
Noncash Contribution of Common Stock	-	(5,085)
Changes in Current Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(6,250)	-
Increase (Decrease) in Accounts Payable	(495)	937
Increase (Decrease) in Accrued Liabilities	(182)	22
Net Cash Provided by Operating Activities	<u>4,355</u>	<u>22,671</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sales of Investments	<u>4,598</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>4,598</u>	<u>-</u>
<b>Net Increase in Cash</b>	8,953	22,671
<b>Cash - Beginning of Year</b>	<u>331,977</u>	<u>309,306</u>
<b>Cash - End of Year</b>	<u>\$ 340,930</u>	<u>\$ 331,977</u>

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

## LEGACY DONOR FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

#### **Note 1 - Nature of Organization and Summary of Significant Accounting Policies -**

##### Organization

The Legacy Donor Foundation (formerly the National Donor Awareness Foundation) (“the Foundation”) is a 501 (c)(3) nonprofit corporation incorporated on August 18, 1999 under the laws of the State of Louisiana. The Foundation’s mission is to save and enhance lives by inspiring Louisiana residents to register as organ, eye, and tissue donors. The Foundation accomplishes this through education, outreach, and advocacy. The Legacy Donor Foundation envisions a culture where all Louisiana citizens are committed to giving life through organ, eye, and tissue donation.

The majority of the Foundation’s revenues are derived from public support, including contributions and grants. The Foundation operates the following programs:

##### General Awareness Campaign

The Foundation’s public awareness campaign educates Louisiana citizens about the critical need for organ and tissue donors through paid media (billboards, radio, and TV) and grass roots efforts such as participating in health fairs, workplace partnerships, public speaking engagements, and message marketing. This campaign encourages everyone to register as organ donors and share this decision with their family.

In order to recognize the vital link between the Office of Motor Vehicles (“OMV”) and the organ and tissue donor registry, the Foundation’s OMV Education Program trains all OMV staff on organ donation facts, myths, and misconceptions in order to ensure that all customers are asked “Would you like to register as an organ, eye, and tissue donor?” In May 2017, the Foundation entered into a Cooperative Endeavor Agreement with the OMV, and received \$100,000 during 2017 under the terms of the agreement restricted for the purpose of administering the OMV Education Program component of the General Awareness Campaign. Funding received under the terms of the agreement is recorded as temporarily restricted grant revenue on the statement of activities. No funding was received from the OMV during the year ended December 31, 2016.

The Foundation trains volunteers on the facts about organ and tissue donation in order to help them provide accurate information about donation and transplantation while working in the community.

The Foundation is a founding member of Donate Life Louisiana, a collaboration of organizations whose mission is to create trust, save and enhance lives, and positively impact the donor registry through education, awareness, and leadership. Donate Life Louisiana is now the brand used for all organ donor education and awareness activities.

## Youth Education

The Foundation's multifaceted Youth Education Programs aim to provide information on organ function and health, and provide accurate information about organ, eye, and tissue donation to elementary through high school aged students. The Youth Education Programs include developing and distributing a video and classroom toolkit on donation to all drivers' education classes. This curriculum will provide drivers with the essential information to make an informed decision when asked about their wishes to register as donors when getting their driver's license or permit.

All of the Youth Education Program components are designed to educate youth so they have the information they need to make an informed decision regarding body health and donation.

## Living Donor Louisiana

The Foundation's Living Donor Louisiana initiative serves as a platform to educate citizens about the prospect of living donation, facilitate living donation within the state's transplant centers, and empower those on the waiting list to potentially find their own donor from family members or friends.

## Physician Education Program

The Physician Education Program helps physicians understand their crucial role in educating patients about organ and tissue donation during office visits, while at the same time dispelling myths and misconceptions. The program is designed to increase physicians' knowledge about organ and tissue donation and transplantation and enable them to discuss donation and transplantation with their patients.

## Minority Initiative Program

The mission of this program is to provide public awareness on the need for African American families to learn about organ donation and become registered organ donors.

## Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation files income tax returns in the U.S. federal tax jurisdiction. With few exceptions, the Foundation is no longer subject to federal income tax examinations by tax authorities for years before 2014. Any interest and penalties assessed by income taxing authorities are not significant and are included in general and administrative expenses in these financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2017 and 2016.

### Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

### Basis of Presentation

The Foundation classifies its net assets, its revenues and expenses, and gains and losses according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These net assets classifications are described as follows:

Unrestricted Net Assets - Net assets which are not subject to donor-imposed stipulations are considered unrestricted. Support restricted by the donor is reported as a transfer from either permanently or temporarily restricted net assets when the restriction expires or is met in the reporting period.

Temporarily Restricted Net Assets - Net assets which are subject to donor-imposed stipulations which may or will be met either by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by the actions of the Foundation pursuant to those stipulations. The Foundation has no permanently restricted net assets.

### Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents for purposes of reporting cash flows.

### Investments

The Foundation values its investments at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income includes dividends and interest earned on investments, the net gain and/or loss from trade of investments, and the unrealized gain and/or loss resulting from market value adjustments to investments.

### Promises to Give

Legally enforceable promises to give are recorded as receivables and support when unconditionally pledged. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional.

### Equipment

Equipment consists of computer equipment and is stated at cost and is being depreciated over estimated useful lives using the straight-line method. Depreciation expense for the years ended December 31, 2017 and 2016 was \$-0- and \$721, respectively. As of December 31, 2016 all assets are fully depreciated.

### Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific

purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

#### Contributed Goods and Services

The Foundation accepts in-kind contributions of goods and services. The Foundation received in-kind contributions with fair values totaling \$106,400 during the year ended December 31, 2017, of which \$101,000 related to the Soul Revival special event and is recognized in special event revenue on the statement of activities, and \$5,400 related to general awareness which is recognized in contributions on the statement of activities. The related expenses are included in fundraising expense and program expense on the statement of functional expenses, respectively. The Foundation received in-kind contributions of advertising with fair values totaling \$96,930 during the year ended December 31, 2016, of which \$58,530 related to the Soul Revival special event and is recognized in special event revenue on the statement of activities, and \$38,400 related to general awareness which is recognized in contributions on the statement of activities. The related expenses are included in fundraising expense and program expense on the statement of functional expenses, respectively.

Members of the Foundation's board of directors and other volunteers have made significant contributions of their time to assist in the Foundation's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it is not susceptible to objective measurement or valuation.

#### Concentrations of Credit Risk

The primary sources of revenue for the Foundation are grants and contributions from various funding sources. The continued operations of the Foundation are dependent on the renewal of grants and contributions from current funding sources as well as obtaining new funding.

The Foundation maintains cash accounts with commercial banks which are insured by the Federal Deposit Insurance Corporation. Periodically, cash may exceed the federally insured amount.

#### Estimates

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

#### Functional Allocation of Expenses

Salaries and related benefits have been allocated among the program and supporting services benefited based on an estimated basis made by management.

## Reclassifications

Certain items in the 2016 financial statements have been reclassified to conform to the presentation in the current year financial statements. Such reclassifications had no effect on previously reported changes in net assts.

## Subsequent Events

The Foundation evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 28, 2018, the date which the financial statements were available to be issued.

### **Note 2 - Investments**

On December 30, 2016, the Foundation received a donation of shares of a publicly traded common stock with a fair value of \$5,085. The Foundation sold its investments in common stock during February 2017, and incurred a realized a loss of (\$487) on the sale. The Foundation held no investments in common stock as of December 31, 2017.

### **Note 3 - Fair Value Measurements -**

The fair value measurement accounting literature provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the asset.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce a fair value calculation that may not be indicative of the realizable value or reflective of future fair values. Furthermore, although the Foundation believes their valuation methods are appropriate and consistent with 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 investments in common stocks that were held by the Foundation at December 31, 2016 are valued at the quoted market price in the active market on which the individual securities are traded, using level 1 inputs. There were no investments held at December 31, 2017.

**Note 4 - Grants -**

The Foundation received funding from the following sources for the years ended December 31, 2017, and 2016, respectively:

	<u>2017</u>	<u>2016</u>
Foundations	\$ 19,297	\$ 32,500
State of Louisiana	100,000	-
	<u>\$ 119,297</u>	<u>\$ 32,500</u>

**Note 5 - Restrictions on Net Assets -**

Temporarily restricted net assets as of December 31, 2017 and 2016, respectively, are as follows:

	<u>2017</u>	<u>2016</u>
Youth Education Initiative	\$ 35,565	\$ 45,535
Television Commercials	-	3,125
Living Donor Initiative	2,953	10,181
	<u>\$ 38,518</u>	<u>\$ 58,841</u>

**Note 6 - Net Assets Released from Restrictions -**

Net assets released from donor restrictions during the years ended December 31, 2017 and 2016, respectively, for incurring expenses satisfying the restricted purpose are as follows:

	<u>2017</u>	<u>2016</u>
General Awareness - Louisiana OMV Cooperative Endeavor	\$ 100,000	\$ -
Youth Education Initiative	9,970	11,254
Television Commercials	3,125	1,050
Living Donor Initiative	7,228	2,695
	<u>\$ 120,323</u>	<u>\$ 14,999</u>

**Note 7 - Special Events -**

The funds raised from special events support critical awareness and education programs that aim to reduce the number of Louisianans who die waiting for life-saving transplants by increasing the number of registered organ, eye, and tissue donors. Soul Revival and the Fall in Love Luncheon are the Foundation's most significant fundraising events. During the years ended December 31, 2017 and 2016, net revenues from special events were \$128,290 and \$102,453, respectively, after direct costs of \$137,044 and \$100,250, respectively.

**Note 8 - Leases -**

The Foundation rents office space on a month-to-month lease at a rate of \$375 per month. Lease expense under this agreement was \$4,500 in each of the years ended December 31, 2017 and 2016.

**Note 9 - Related Party Transactions -**

Beginning in 2017, the Foundation utilizes the services of a technology company whose owner is directly related to a member of its board of directors. Payments totaling \$20,000 were made directly to this company for digital campaign design and website hosting and maintenance services during the year ended December 31, 2017.

**Note 10 - Claim Settlement Income -**

In October 2016, the Foundation received notice that their claim under the Deepwater Horizon Economic and Property Damages Settlement Program qualified for payment, and the Foundation accepted the amount offered at that time. In November of 2016, the Foundation received payment for settlement of this claim, net of attorney, accountant and administrative expenses, in the amount of \$58,521. The amount is recorded in the financial statements for the year ended December 31, 2016 as BP Claim Settlement Income.

**Note 11 - Schedule of Compensation, Benefits and Other Payments to the Executive Director -**

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation, Benefits and Other Payments received by Nicole Labadot, Executive Director, for the year ended December 31, 2017:

Salary	\$	70,000
Benefits - Insurance		3,587
Reimbursements		736
Registration Fees		595
Conference Travel		1,282
		<hr/>
	\$	76,200
		<hr/> <hr/>

2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
650 Poydras Street, Suite 1200 • New Orleans, LA 70130  
Phone: 225.928.4770 • Fax: 225.926.0945  
www.htbcpa.com

Independent Auditor's Report on Internal  
Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit  
of the Financial Statements Performed in  
Accordance with Government Auditing Standards

To the Board of Directors  
Legacy Donor Foundation  
Metairie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Legacy Donor Foundation, (the Foundation), which comprise the statement of financial position as of December 31, 2017, 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 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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 entities' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

New Orleans, Louisiana  
June 28, 2018

**LEGACY DONOR FOUNDATION**  
**SUMMARY SCHEDULE OF AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

None

**LEGACY DONOR FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

FOR THE YEAR ENDED DECEMBER 31, 2017

There were no prior year audit findings.