

**LOUISIANA BAR FOUNDATION**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED**  
**JUNE 30, 2023 AND 2022**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Louisiana Bar Foundation  
New Orleans, Louisiana

### **Opinions**

We have audited the accompanying financial statements of Louisiana Bar Foundation, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 financial statements present fairly, in all material respects, the financial position of Louisiana Bar Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Change in Accounting Principle**

As discussed in Notes 1 and 10 to the financial statements, the Louisiana Bar Foundation adopted FASB ASC 842, *Leases*, which resulted in the recognition of operating right-of-use assets and lease liabilities on the statements of net position. Our opinion is not modified with respect to that matter.

### **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; 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.



To the Board of Directors of  
Louisiana Bar Foundation  
New Orleans, Louisiana  
October 30, 2023

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 Louisiana Bar Foundation's ability to continue as a going concern within 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Louisiana Bar Foundation'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 Louisiana Bar Foundation's ability to continue as a going concern for a reasonable period of time.



To the Board of Directors of  
Louisiana Bar Foundation  
New Orleans, Louisiana  
October 30, 2023

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 Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying combining schedule of activities and schedule of compensation, benefits, and other payments to agency head or chief executive officer, as required by Louisiana Revised Statute 24:513 A.(3), are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 October 30, 2023 on our consideration of Louisiana Bar Foundation' internal control over financial reporting and on our tests of their 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 Louisiana Bar Foundation' 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 Louisiana Bar Foundation' internal control over financial reporting and compliance.

October 30, 2023  
New Orleans, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**LOUISIANA BAR FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 608,164	\$ 713,561
Investments	23,277,348	12,570,284
Contributions receivable	164,733	328,650
Other receivables	1,026	726
Prepaid expenses	22,144	16,079
Promises to give	108,782	10,000
Property and equipment, net	6,405	-
Operating right-of-use assets	<u>291,204</u>	<u>-</u>
 Total assets	 <u>\$ 24,479,806</u>	 <u>\$ 13,639,300</u>
 <b><u>LIABILITIES:</u></b>		
Accounts payable and accrued liabilities	\$ 106,472	\$ 64,660
Grants payable	6,948,142	4,073,656
Operating lease liabilities, net	<u>291,204</u>	<u>-</u>
 Total liabilities	 <u>7,345,818</u>	 <u>4,138,316</u>
 <b><u>NET ASSETS:</u></b>		
Without donor restrictions:		
Undesignated	-	(3,716,101)
Board designated:		
Operating reserve	10,912,773	8,077,412
Endowments	<u>1,169,503</u>	<u>1,023,207</u>
 Total without donor restrictions	 <u>12,082,276</u>	 <u>5,384,518</u>
With donor restrictions:		
Purpose restricted:		
Donor designated	4,319,875	3,426,591
Endowments	<u>731,837</u>	<u>689,875</u>
 Total with donor restrictions	 <u>5,051,712</u>	 <u>4,116,466</u>
 Total net assets	 <u>17,133,988</u>	 <u>9,500,984</u>
 Total liabilities and net assets	 <u>\$ 24,479,806</u>	 <u>\$ 13,639,300</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA BAR FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b><u>SUPPORT AND OTHER REVENUES:</u></b>			
Contributions	\$ 15,617,596	\$ 3,870,873	\$ 19,488,469
Federal grant	-	710,694	710,694
Investment income, net	882,984	295,486	1,178,470
Publications and dinners	146,492	-	146,492
Other income	172,564	-	172,564
Net assets released from restrictions	<u>3,941,807</u>	<u>(3,941,807)</u>	<u>-</u>
 Total support and other revenues	 <u>20,761,443</u>	 <u>935,246</u>	 <u>21,696,689</u>
<b><u>EXPENSES:</u></b>			
Program services:			
IOLTA	8,685,856	-	8,685,856
State of Louisiana	3,941,807	-	3,941,807
Kid's Chance	32,950	-	32,950
Access to Justice	50,000	-	50,000
Kendall Vick	21,988	-	21,988
Supporting services:			
Management and general	1,181,523	-	1,181,523
Fundraising	<u>149,561</u>	<u>-</u>	<u>149,561</u>
 Total expenses	 <u>14,063,685</u>	 <u>-</u>	 <u>14,063,685</u>
 Change in net assets	 6,697,758	 935,246	 7,633,004
 Net assets, beginning of year	 <u>5,384,518</u>	 <u>4,116,466</u>	 <u>9,500,984</u>
 Net assets, end of year	 <u>\$ 12,082,276</u>	 <u>\$ 5,051,712</u>	 <u>\$ 17,133,988</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA BAR FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>SUPPORT AND OTHER REVENUES:</u></b>			
Contributions	\$ 5,105,829	\$ 3,301,868	\$ 8,407,697
Federal grant	-	621,935	621,935
Investment (loss), net	(1,049,745)	(373,489)	(1,423,234)
Publications and dinners	128,909	-	128,909
Other income	124,996	52	125,048
Net assets released from restrictions	<u>3,940,070</u>	<u>(3,940,070)</u>	<u>-</u>
 Total support and other revenues	 <u>8,250,059</u>	 <u>(389,704)</u>	 <u>7,860,355</u>
<b><u>EXPENSES:</u></b>			
Program services:			
IOLTA	4,579,053	-	4,579,053
State of Louisiana	3,708,478	-	3,708,478
Kid's Chance	31,316	-	31,316
Access to Justice	50,000	-	50,000
Kendall Vick	231,592	-	231,592
Supporting services:			
Management and general	1,080,590	-	1,080,590
Fundraising	<u>55,458</u>	<u>-</u>	<u>55,458</u>
 Total expenses	 <u>9,736,487</u>	 <u>-</u>	 <u>9,736,487</u>
 Change in net assets	 (1,486,428)	 (389,704)	 (1,876,132)
 Net assets, beginning of year	 <u>6,870,946</u>	 <u>4,506,170</u>	 <u>11,377,116</u>
 Net assets, end of year	 <u>\$ 5,384,518</u>	 <u>\$ 4,116,466</u>	 <u>\$ 9,500,984</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA BAR FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services					Supporting Services			Total
	IOLTA	State of Louisiana	Kia's Chance	Access to Justice	Kendall Vick	Total Program Services	Management and General	Fund Raising	
Salaries and wages	\$ 540,015	\$ -	\$ -	\$ -	\$ -	\$ 540,015	\$ 590,856	\$ -	\$ 1,130,873
Payroll taxes and employee benefits	142,641	-	-	-	-	142,641	145,052	-	287,693
Total salaries and related expenses	682,656	-	-	-	-	682,656	735,910	-	1,418,566
Grant payments	7,757,083	3,941,807	32,950	50,000	21,988	11,803,828	-	-	11,803,828
Other expenses	-	-	-	-	-	-	18,622	327	18,949
Program expenses	43,951	-	-	-	-	43,951	14,013	11,422	69,386
Sponsored events	-	-	-	-	-	-	36,011	97,216	133,227
Conference and meetings	32,950	-	-	-	-	32,950	69,965	15,263	118,178
Occupancy expense	50,967	-	-	-	-	50,967	52,618	-	103,585
Supplies, postage, and printing	24,768	-	-	-	-	24,768	35,394	1,167	61,329
Contract services	50,993	-	-	-	-	50,993	141,265	18,900	210,158
Insurance	3,600	-	-	-	-	3,600	20,243	-	23,843
Bank charges	292	-	-	-	-	292	29,861	-	30,153
Repairs and maintenance	4,662	-	-	-	-	4,662	6,513	-	11,175
Information technology services	33,934	-	-	-	-	33,934	21,083	6,166	61,183
Total functional expenses	\$ 3,685,856	\$ 3,941,807	\$ 32,950	\$ 50,000	\$ 21,988	\$ 12,732,601	\$ 1,181,523	\$ 149,561	\$ 14,063,685

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA BAR FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services					Supporting Services		Total	
	IOLTA	State of Louisiana	Kid's Chance	Access to Justice	Kendall Vick	Total Program Services	Management and General		Fund Raising
Salaries and wages	\$ 470,075	\$ -	\$ -	\$ -	\$ -	\$ 470,075	\$ 452,075	\$ 18,000	\$ 940,150
Payroll taxes and employee benefits	125,705	-	-	-	-	125,705	125,700	-	251,411
Total salaries and related expenses	595,780	-	-	-	-	595,780	577,781	18,000	1,191,561
Grant payments	3,970,695	3,706,790	-	50,000	231,592	7,959,077	45,314	-	8,004,411
Other expenses	-	-	316	-	-	316	20,603	-	20,919
Program expenses	3,831	1,683	31,000	-	-	36,519	55,475	-	91,994
Sponsored events	-	-	-	-	-	-	62,987	24,023	87,010
Conference and meetings	-	-	-	-	-	-	51,097	2,765	53,862
Occupancy expense	-	-	-	-	-	-	100,499	-	100,499
Supplies, postage, and printing	-	-	-	-	-	-	36,490	-	36,490
Contract services	-	-	-	-	-	-	52,401	10,670	63,071
Insurance	-	-	-	-	-	-	20,213	-	20,213
Bank charges	512	-	-	-	-	512	8,202	-	8,714
Repairs and maintenance	-	-	-	-	-	-	8,517	-	8,517
Information technology services	8,235	-	-	-	-	8,235	40,991	-	49,226
Total functional expenses	\$ 4,579,053	\$ 3,706,478	\$ 31,316	\$ 50,000	\$ 231,592	\$ 8,600,439	\$ 1,080,590	\$ 55,455	\$ 9,736,487

**LOUISIANA BAR FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 7,633,004	\$ (1,876,132)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	337	-
Unrealized (gain) loss on investments	(627,563)	2,038,464
Realized (gain) loss on sale of investments	(263,527)	(438,896)
Bad debt	2,490	-
(Increase) decrease in assets:		
Contributions receivable	161,427	3,044,194
Promises to give	(98,782)	-
Other receivables	(300)	(726)
Prepaid expenses	(6,065)	(765)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	41,812	(15,583)
Grants payable	2,874,486	(2,984,791)
Other liabilities	-	(23,103)
	<u>9,717,319</u>	<u>(257,338)</u>
Net cash from (used for) operating activities		
<b><u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u></b>		
Purchases of investments	(16,431,953)	(6,784,388)
Sales and maturities of investments	6,615,979	5,979,113
Purchase of property and equipment	(6,742)	-
	<u>(9,822,716)</u>	<u>(805,275)</u>
Net cash (used for) investing activities		
Net (decrease) in cash and cash equivalents	(105,397)	(1,062,613)
Cash and cash equivalents, beginning of year	<u>713,561</u>	<u>1,776,174</u>
Cash and cash equivalents, end of year	<u>\$ 608,164</u>	<u>\$ 713,561</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**Nature of Activities**

The Louisiana Bar Foundation (the Foundation) is a nonprofit organization whose objectives and purposes are to promote study and research in the field of law, to publish and distribute literary works on legal subjects, and to administer the collection and disbursement of interest on Lawyers' Trust Accountants (IOLTA) funds.

Interest on Lawyers' Trust Accounts (IOLTA) is a unique and innovative method to increase access to justice for individuals and families living in poverty. Without taxing the public, and at no cost to the lawyers or their clients, interest from IOLTA funds is pooled to provide civil legal aid to the poor and to support improvements to the justice system.

**Method of Accounting and Financial Reporting Framework**

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, The Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets with donor restrictions - The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net assets without donor restrictions - The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions Receivable**

Contributions receivable is stated at unpaid balances. No allowance for doubtful accounts is recognized based on the nature of the contributions receivable. Contributions receivable is considered impaired if full principal payments are not received in accordance with the contractual terms.

**Promises to Give**

The Foundation has received pledges from supporting law firms and individuals, which are restricted to the Foundation's board designated endowment campaign. These pledges are payable to the Foundation upon donor demise. Management believes that all promises to give are collectible as of June 30, 2023 and 2022 and thus no allowance has been established.

**Investments**

Short-term investments consist of mutual funds that can used to support cash flow needs during the year. Long-term investments are valued at fair value in the statement of financial position and include investment in stocks, corporate fix income, government securities, and mutual funds. Unrealized and realized gains and losses are included in the change in net assets without donor restrictions.

Investments are stated at fair value. Gains and losses on investments are reported on the statement of activities as increases or decreases in net assets without donor restrictions. Dividend, interest and other investment income are reported in the period earned in the statement of activities as increases in net assets without donor restrictions. Investment return is presented net of investment fees.

The Foundation discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Investments are recorded at fair value on a recurring basis. Nonrecurring fair value adjustments, if any, would typically involve donated property and equipment. There were no material nonrecurring fair value adjustments in 2023 or 2022. The three levels of the fair value hierarchy are described below.

Level 1 lies at the top of the hierarchy. Inputs are quoted prices in an active market.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments (continued)**

For assets that are measured at fair value on a recurring basis in periods after initial recognition, there were no transfers between Levels 1 and 2, or transfers into and out of Level 3 in 2023 or 2022. If such transfers were to occur, they would be recognized as of the actual date of the event.

No level 3 inputs were used by the Foundation during 2023 or 2022.

The Foundation's measurements of fair value are made on a recurring basis, and their valuation techniques (no changes in 2023 or 2022) for assets and liabilities recorded at fair value are as follows:

Stocks, Corporate Fixed Income, Government Securities, and Mutual Funds – value at quoted market prices which approximated fair value.

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

**Property and Equipment**

Acquisitions, renewals, and betterments of \$5,000 or more are capitalized and stated at cost. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the asset. Estimated useful lives for property and equipment range from three (3) to seven (7) years.

**Grants Payable**

The Foundation makes grants to various agencies in accordance with the Foundation's purpose. Grants are recorded as an expense after Board of Director's approval if they are unconditional or if the conditions have been substantially met.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2023 AND 2022

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

**Grants and Contributions**

Grants and contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Contributions with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is recognized.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**Publications and Dinners**

The Foundation receives revenue from publications and dinners. A portion of the revenue is recognized as a contribution at the time of ticket purchase. These amounts are reported to the donor as tax-deductible when received. The remainder of the revenues are recognized when the event takes place as the event is the relevant performance obligation.

**Leases**

The Foundation applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Foundation determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that The Foundation will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The Foundation's lease contracts may include extension and termination options. The Foundation applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, The Foundation reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (continued)**

The Foundation is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Foundation generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the initial direct costs incurred by the lessor related to the leased assets is not available.

The Foundation determines the incremental borrowing rate of each lease by estimating the credit rating of The Foundation at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of the Foundation have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**Income Taxes**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation's evaluation as of June 30, 2023 and 2022 revealed no tax positions that would have a material impact on the financial statements. The Foundation remains subject to examination by tax authorities for all years subsequent to 2019. The Foundation does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements – Adopted**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*, ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet. The adoption of these Updates had a material impact on the Foundation's financial statements.

**Date of Management Review**

Management has evaluated subsequent events through October 30, 2023 which is the date the financial statements were available to be issued.

**(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available at year end and available to meet cash needs for general expenditures within one year of June 30, 2023 and 2022 were \$24,051,271 and \$13,613,221, respectively. No amounts were not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

The Foundation's liquidity management plan allows for investment of cash in excess of daily requirement in stocks, corporate fixed income, government securities, and mutual funds.

As part of the Foundation liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note 6, the Foundation has assets held in board designated investments which are in excess of amounts needed for daily cash requirements. Although the Foundation does not intend to spend from its assets held in the board designated investments, amounts from the assets could be made available if necessary.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2023 AND 2022

**(3) INVESTMENTS AND FAIR VALUE MEASUREMENT**

The fair value of assets measured at June 30, 2023 and 2022 are as follows:

	<u>2023</u>			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Common stocks	\$ 11,312,980	\$ -	\$ -	\$ 11,312,980
Corporate fixed income	-	8,238,418	-	8,238,418
Government securities	-	47,485	-	47,485
Cash equivalents	<u>3,678,465</u>	<u>-</u>	<u>-</u>	<u>3,678,465</u>
Investments at fair value	<u>\$ 14,991,445</u>	<u>\$ 8,285,903</u>	<u>\$ -</u>	<u>\$ 23,277,348</u>

	<u>2022</u>			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Common stocks	\$ 6,676,056	\$ -	\$ -	\$ 6,676,056
Corporate fixed income	-	4,480,922	-	4,480,922
Government securities	-	47,807	-	47,807
Cash equivalents	<u>1,365,499</u>	<u>-</u>	<u>-</u>	<u>1,365,499</u>
Investments at fair value	<u>\$ 8,041,555</u>	<u>\$ 4,528,729</u>	<u>\$ -</u>	<u>\$ 12,570,284</u>

Investment income consists of the following at June 30.

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 389,634	\$ 241,932
Investment fees	(102,254)	(65,598)
Realized gain on sale of investments	263,527	438,896
Unrealized gain (loss) on investments	<u>627,563</u>	<u>(2,038,464)</u>
Investment income (loss), net	<u>\$ 1,178,470</u>	<u>\$ (1,423,234)</u>

**(4) PROPERTY AND EQUIPMENT AND DEPRECIATION**

Property and equipment of the Foundation consisted of the following as of June 30<sup>th</sup>:

	<u>2023</u>	<u>2022</u>
Property and equipment	\$ 93,658	\$ 86,916
Less: accumulated depreciation	<u>(87,253)</u>	<u>(86,916)</u>
Property and equipment, net	<u>\$ 6,405</u>	<u>\$ -</u>

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2023 AND 2022

**(4) PROPERTY AND EQUIPMENT AND DEPRECIATION (CONTINUED)**

Depreciation expense for the year ended June 30, 2023 was \$337. There was no depreciation expense for the year ended June 30, 2022 as all property and equipment were fully depreciated.

**(5) RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions consisted of the following at June 30, 2023 and 2022:

	2023	2022
Endowment funds with donor restrictions	\$ 731,837	\$ 689,875
Donor designated	4,319,875	3,426,591
	\$ 5,051,712	\$ 4,116,466

**(6) BOARD DESIGNATIONS**

The policy of the Board of Directors of the Foundation is to review plans for future programs, investment, contingencies, purchase or construction of fixed assets, and other uses from time to time. The policy also allows for the designation of appropriate sums of net assets without donor restrictions to ensure adequate financing. As of June 30, 2023 and 2022, the Foundation had board-designated funds totaling \$12,082,276 and \$9,100,619, respectively.

**(7) ENDOWMENTS**

The Foundation's endowment consists of six individual funds established for a variety of purposes. Its endowments include both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions using (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2023 AND 2022

**(7) ENDOWMENTS (CONTINUED)**

*Investment Return Objectives, Risk Parameters and Strategies.* The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in well-diversified asset mix, which includes equity and debt securities. The Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

*Spending Policy.* The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The foundation expects the current spending policy to allow its endowment funds to grow at an average rate of 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). As of June 30, 2023 and 2022, the Foundation did not have any endowment funds that were underwater.

Changes in endowment net assets as of June 30, 2023:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total Endowment <u>Net Assets</u>
Endowment net assets – beginning of year	\$ 1,023,207	\$ 689,875	\$ 1,713,082
Contributions	-	-	-
Investment income	45,975	27,152	73,127
Net appreciation (depreciation)	18,703	14,811	33,514
Transfers in	105,657	14,381	120,038
Amounts appropriated for expenditures	<u>(24,039)</u>	<u>(14,382)</u>	<u>(38,421)</u>
Endowment net assets – end of year	<u>\$ 1,169,503</u>	<u>\$ 731,837</u>	<u>\$ 1,901,340</u>

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2023 AND 2022

**(7) ENDOWMENTS (CONTINUED)**

Changes in endowment net assets as of June 30, 2022:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total Endowment <u>Net Assets</u>
Endowment net assets – beginning of year	\$ 1,224,034	\$ 660,705	\$ 1,884,739
Contributions	17,058	95,080	112,138
Investment income	64,904	40,498	105,402
Net appreciation (depreciation)	(171,612)	(106,408)	(278,020)
Amounts appropriated for expenditures	<u>(111,177)</u>	<u>-</u>	<u>(111,177)</u>
Endowment net assets – end of year	<u>\$ 1,023,207</u>	<u>\$ 689,875</u>	<u>\$ 1,713,082</u>

**(8) CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash and investment balances with financial institutions. The Federal Deposit Insurance Corporation (FDIC) ensures the accounts held at member institutions up to \$250,000. As of June 30, 2023 and 2022, the Foundation's cash balance did not exceed the FDIC insurance. The Securities Investor Protection Corporation (SIPC) insures accounts at each member institution up to \$500,000. The balances of cash and investments held by investment brokerage firms exceeded SIPC insurance by \$21,459,379 and \$12,030,807 at June 30, 2023 and 2022, respectively. The Foundation has not experienced any losses in these accounts and management believes they are not exposed to any significant credit risk.

Revenue from two sources represent 91% of total revenue for the year ended June 30, 2023. Revenue from one grantor represents 39% of total revenue for the year ended June 30, 2022.

Contributions receivable from one grantor represents 99% of total contribution receivables for each of the years ended June 30, 2023 and 2022.

**(9) RETIREMENT PLAN**

The Foundation sponsors a retirement arrangement covering substantially all employees of the Foundation. The Foundation decides the amount, if any, to contribute each year to the SEP-IRA accounts for eligible employees. The contribution percentage (10%) of salary remained unchanged from the prior year. The Foundation's contributions to the plan totaled \$74,810 and \$73,542 for the years ended June 30, 2023 and 2022, respectively. Contributions to the retirement arrangement are included in the Fringe Benefits line item on the Statements of Functional Expenses.

**LOUISIANA BAR FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2023 AND 2022

**(10) LEASE COMMITMENTS**

The Foundation entered into a lease agreement for office space commencing on July 1, 2018. The lease expires January 31, 2022 unless terminated early in accordance with the lease agreement. On December 28, 2020, the lease was extended for an additional 60 months commencing April 1, 2021 and ending on March 31, 2026. Total rent expense under the operating lease was \$103,585 and \$100,499 for the years ended June 30, 2023 and 2022, respectively.

**Leases Under ASC 842**

Effective July 1, 2022, the Standard adopted FASB 842, *Leases* (the Standard). The Standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Standard elected to adopt the package of practical expedients available under the transition guidance with the Standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Standard also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the ROU assets. Lastly, the Standard elected to adopt the risk-free discount rate to calculate the lease asset and liability.

The adoption of the Standard resulted in the following impact at July 1, 2022:

Operating lease cost	\$ 102,755
Operating cash flows from operating leases	102,755
Right-of-use assets obtained in exchange for new operating lease liabilities	385,332
Weighted-average remaining lease term - operating leases	2.75 years
Weighted-average discount rate - operating leases	2.43%

Future maturity analysis of operating lease liabilities for the next five years and thereafter are as follows:

2024	\$ 103,447
2025	104,601
2026	92,257
Less: imputed interest	<u>(9,101)</u>
Total	<u>\$ 291,204</u>

**LOUISIANA BAR FOUNDATION**  
**COMBINING STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023 AND COMPARATIVE TOTALS FOR 2022**

	<u>IOLTA</u>	<u>State of Louisiana</u>	<u>Kid's Chance</u>	<u>Access to Justice</u>	<u>Kendall Vick</u>	<u>Other</u>	<u>Supporting Services</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
<b>Revenues:</b>									
Contributions	\$ 15,182,558	\$ 3,756,673	\$ 93,981	\$ 14,854	\$ -	\$ 114,200	\$ 326,203	\$ 19,488,469	\$ 8,407,697
Federal grant	-	710,694	-	-	-	-	-	710,694	621,935
Investment income, net	749,645	-	20,704	24,699	253,523	113,986	15,913	1,178,470	(1,423,234)
Publications and dinners	-	-	-	-	-	-	146,492	146,492	128,909
Other income	-	-	-	-	-	-	172,564	172,564	125,048
Total revenues	<u>15,932,203</u>	<u>4,467,367</u>	<u>114,685</u>	<u>39,553</u>	<u>253,523</u>	<u>228,186</u>	<u>661,172</u>	<u>21,696,689</u>	<u>7,860,355</u>
<b>Expenses:</b>									
Grant payments	7,757,083	3,941,807	32,950	50,000	21,988	-	-	11,803,828	8,006,440
Salaries and wages	540,015	-	-	-	-	-	590,858	1,130,873	940,150
Payroll taxes and employee benefits	142,641	-	-	-	-	-	145,052	287,693	251,411
Other expenses	-	-	-	-	-	-	18,949	18,949	21,839
Program expenses	43,951	-	-	-	-	-	25,435	69,386	60,451
Sponsored events	-	-	-	-	-	-	133,227	133,227	119,300
Conference and meetings	32,950	-	-	-	-	-	85,228	118,178	50,166
Occupancy expense	50,967	-	-	-	-	-	52,618	103,585	100,499
Supplies, postage, and printing	24,768	-	-	-	-	-	36,561	61,329	47,467
Contract services	50,993	-	-	-	-	-	159,285	210,278	63,071
Insurance	3,600	-	-	-	-	-	20,243	23,843	20,213
Bank charges	292	-	-	-	-	-	29,861	30,153	8,714
Repairs and maintenance	4,662	-	-	-	-	-	6,518	11,180	8,517
Information technology services	33,934	-	-	-	-	-	27,249	61,183	38,249
Total expenses	<u>8,685,856</u>	<u>3,941,807</u>	<u>32,950</u>	<u>50,000</u>	<u>21,988</u>	<u>-</u>	<u>1,331,084</u>	<u>14,063,685</u>	<u>9,736,487</u>
Increase (decrease) in net assets	7,246,347	525,560	81,735	(10,447)	231,535	228,186	(669,912)	7,633,004	(1,876,132)
Net assets at beginning of year	<u>7,469,217</u>	<u>435,359</u>	<u>233,782</u>	<u>298,442</u>	<u>2,838,244</u>	<u>-</u>	<u>(1,774,060)</u>	<u>9,500,984</u>	<u>11,377,116</u>
Net assets at end of year	<u>\$ 14,715,564</u>	<u>\$ 960,919</u>	<u>\$ 315,517</u>	<u>\$ 287,995</u>	<u>\$ 3,069,779</u>	<u>\$ 228,186</u>	<u>\$ (2,443,972)</u>	<u>\$ 17,133,988</u>	<u>\$ 9,500,984</u>

**LOUISIANA BAR FOUNDATION**  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2023

**(See Independent Auditors' Report)**

	<u>Donna C. Cuneo</u> <u>Executive Director</u>
Time served	07/01/22 through 06/30/23
Salary	\$ _____ -
Total compensation, benefits, and other payments	\$ _____ -

There were no payments for the benefit of the Executive Director that were derived from the public funds (state and/or local governmental funds and/or federal funds passed through a state or local government agency) that the Foundation receives.



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

To the Board of Directors of  
Louisiana Bar Foundation

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, the financial statements of Louisiana Bar Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 October 30, 2023.

**Report Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Louisiana Bar Foundation's internal control over financial reporting (internal control) as a basis for designing 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 Louisiana Bar Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Bar 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.



To the Board of Directors of  
Louisiana Bar Foundation

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Louisiana Bar 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 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*.

### **Louisiana Bar Foundation’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Louisiana Bar Foundation’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Louisiana Bar Foundation’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 Louisiana Bar 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 Louisiana Bar Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 30, 2023  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**LOUISIANA BAR FOUNDATION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I - SUMMARY OF AUDITORS' REPORTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Louisiana Bar Foundation (the Foundation).
2. One material weakness in internal control relating to the audit of the financial statements was reported in the 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*.
3. No instances of noncompliance material to the financial statements were reported in the 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*.
4. A management letter was not issued for the year ended June 30, 2023.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Material Weakness**

**Finding 2023-001 Incomplete Year-End Close Procedures**

**Condition:** Year-end accruals did not include the recording of grant receivables and revenue and grants payable and expenses.

**Effect:** Grant receivables, revenues, payables, and expenses were all understated. Consequently, the year-end net asset rollforwards and reconciliations that were prepared were not complete and accurate with regard to amounts and classifications.

**Cause:** The Foundation lacks a detailed listing of all required accruals and adjustments to be considered as part of the year-end closing process. During the last quarter of the fiscal year, the Foundation experienced delays in financial reporting due to key personnel's leave of absence.

**Recommendation:** Formalize year-end closing procedures to include a checklist of items to consider for accrual and adjustment so that year-end accruals are properly included in the accounting records on a timely basis.

**View of Responsible Officials:** The Foundation agrees with the finding and is actively working on rectifying the finding.

**LOUISIANA BAR FOUNDATION**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

NOT APPLICABLE

**SECTION II – MANAGEMENT LETTER ITEMS**

NOT APPLICABLE

**LOUISIANA BAR FOUNDATION**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS**  
**JUNE 30, 2023**

October 30, 2023

Louisiana Legislative Auditor

Louisiana Bar Foundation respectfully submits the following corrective action plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.  
4227 Canal Street  
New Orleans, LA 70119

Audit Period: July 1, 2022 – June 30, 2023

The findings from the June 30, 2023 schedule of findings are discussed below. The findings are numbered consistently with the number assigned in the schedule.

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

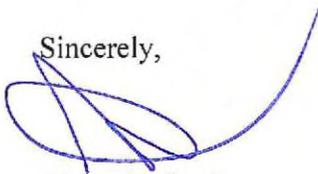
**Finding 2023-001 Improper Year-End Procedures**

Recommendation: Formalize year-end closing procedures to include a checklist of items to consider for accrual and adjustment so that year-end accruals are properly included in the accounting records on a timely basis.

Response: The Foundation agrees with the finding and is actively working on rectifying the finding.

If there are any questions regarding this plan, please contact Laura Sewell, Acting Executive Director, at (504) 561-1046.

Sincerely,



Alan Abadie, Jr.  
CFO

**LOUISIANA LEGISLATIVE AUDITOR**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**LOUISIANA BAR FOUNDATION**  
**NEW ORLEANS, LOUISIANA**  
**FOR THE FISCAL PERIOD**  
**JULY 1, 2022 THROUGH JUNE 30, 2023**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



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

To the Board of Directors of  
Louisiana Bar Foundation  
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Louisiana Bar Foundation's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Bar Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, 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 and associated findings are attached in Schedule "1."

We were engaged by Louisiana Bar Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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.

October 30, 2023  
New Orleans, Louisiana

  
Certified Public Accountants

**LOUISIANA BAR FOUNDATION**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**JULY 1, 2022 TO JUNE 30, 2023**

**WRITTEN POLICIES AND PROCEDURES**

- 1) **Procedure:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***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).
  - e) ***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.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - h) ***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).
  - i) ***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 entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

LOUISIANA BAR FOUNDATION  
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2022 TO JUNE 30, 2023

**WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

- k) ***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.
- l) ***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.

**Results:** No exceptions were found as a result of applying the procedure.

**BOARD OR FINANCE COMMITTEE**

- 2) **Procedure:** 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.
- a) Observe that 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.
- b) 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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, 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.
- c) 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.
- d) 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.

**Results:** No exceptions were found as a result of applying the procedure.

**LOUISIANA BAR FOUNDATION**  
**STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)**  
**JULY 1, 2022 TO JUNE 30, 2023**

**BANK RECONCILIATIONS**

- 3) **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity'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) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) 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.

**Results:** No exceptions were found as a result of applying the procedure.

**COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)**

- 4) **Procedure:** 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).
- 5) **Procedure:** 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 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) Employees responsible for cash collections do not share cash drawers/registers.
  - b) 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.
  - c) 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

LOUISIANA BAR FOUNDATION  
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2022 TO JUNE 30, 2023

**COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFER) (CONTINUED)**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6) **Procedure:** 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.
- 7) **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (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:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were found as a result of applying the procedures.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

- 8) **Procedure:** 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).

**LOUISIANA BAR FOUNDATION**  
**STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)**  
**JULY 1, 2022 TO JUNE 30, 2023**

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

- 9) **Procedure:** For each location selected under procedure #8 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:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) 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.
  - d) 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
  - e) 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.
- 10) **Procedure:** For each location selected under procedure #8 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:
- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.
- 11) **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

**Results:** No exceptions were found as a result of applying the procedures.

**LOUISIANA BAR FOUNDATION**  
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2022 TO JUNE 30, 2023

**CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**

- 12) **Procedure:** 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.
- 13) **Procedure:** 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:
- a) 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
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
- 14) **Procedure:** Using the monthly statements or combined statements selected under procedure #13 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.

**Results:** No exceptions were found as a result of applying the procedures.

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)**

- 15) **Procedure:** 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:
- a) 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](http://www.gsa.gov)).

**LOUISIANA BAR FOUNDATION**  
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2022 TO JUNE 30, 2023

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)**

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- c) 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 #1g; and
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** Each of the 5 reimbursements selected for review was missing some required documentation such as original itemized receipts, business purposes, or names of those individuals involved in the activity.

**CONTRACTS**

16) **Procedure:** 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:

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

**Results:** No exceptions were found as a result of applying the procedure.

**LOUISIANA BAR FOUNDATION**  
**STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)**  
**JULY 1, 2022 TO JUNE 30, 2023**

**PAYROLL AND PERSONNEL**

- 17) **Procedure:** Obtain a listing of employees and officials employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18) **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials,
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 19) **Procedure:** 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.
- 20) **Procedure:** 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.

**Results:** No exceptions were found as a result of applying the procedures.

**ETHICS**

- 21) **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and
- a) 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

**LOUISIANA BAR FOUNDATION**  
**STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)**  
**JULY 1, 2022 TO JUNE 30, 2023**

**ETHICS (CONTINUED)**

b) 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.

22) **Procedure:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results:** Not applicable to the Organization as it is a private non-profit.

**DEBT SERVICE**

23) **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

24) **Procedure:** 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).

**Results:** Not applicable. As a private non-profit, the Organization does not need to comply with Article VII nor does the Organization have debt with covenants or reserve requirements.

**FRAUD NOTICE**

25) **Procedure:** 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.

26) **Procedure:** 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.

**Results:** No exceptions were found as a result of applying the procedures.

LOUISIANA BAR FOUNDATION  
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2022 TO JUNE 30, 2023

**INFORMATION TECHNOLOGY DISASTER RECOVERY/ BUSINESS CONTINUITY**

27) **Procedure:** Perform the following procedures:

- a) 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.
- b) 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.
- c) 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.

28) **Procedure:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Results:** We performed the procedures and discussed the results with management.

**PREVENTION OF SEXUAL HARASSMENT**

29) **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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.

30) **Procedure:** 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).

31) **Procedure:** 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:

- a) Number and percentage of public servants in the agency who have completed the training requirements.
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

LOUISIANA BAR FOUNDATION  
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2022 TO JUNE 30, 2023

**PREVENTION OF SEXUAL HARASSMENT (CONTINUED)**

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results:** Not applicable to the Organization as it is a private non-profit.



LOUISIANA BAR  
**FOUNDATION**  
FUNDING CIVIL LEGAL AID

October 30, 2023

Louisiana Legislative Auditor

Louisiana Bar Foundation respectfully submits the following corrective action plan for items identified pursuant to the agreed-upon procedures in accordance with Statewide Agreed Upon Procedures.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.  
4227 Canal Street  
New Orleans, LA 70119

Engagement Period: July 1, 2022 – June 30, 2023

The exceptions from the statewide agreed-upon procedures report are discussed below:

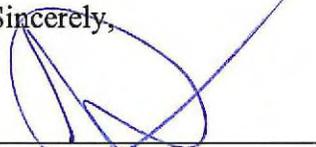
**Travel and Travel-Related Expense Reimbursements**

**Exceptions:** Each of the 5 reimbursements selected for review was missing some required documentation such as original itemized receipts, business purposes, or names of those individuals involved in the activity.

**Management's Response to Exceptions:** Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please contact Laura Sewell, Acting Executive Director at (504) 561-1046.

Sincerely,

  
\_\_\_\_\_  
Signature

CFO  
\_\_\_\_\_  
Title