
PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE FOUNDATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

**Pontchartrain
Conservancy**



SCIENCE FOR OUR COAST. SINCE 1989.



Postlethwaite & Netterville

A Professional Accounting Corporation

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AND SAVE OUR LAKE FOUNDATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pontchartrain Conservancy and Save Our Lake Endowment, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Pontchartrain Conservancy (the Conservancy) and Save Our Lake Endowment, Inc. (the Endowment), collectively, the Entity, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Entity as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The consolidated financial statements of the Entity as of December 31, 2019, were audited by other auditors whose report dated June 9, 2020, expressed an unmodified opinion on those statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2020 consolidating financial statements, schedule of expenditures of federal awards, and schedule of compensation, benefits, and other payments to agency head are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole. The 2019 consolidating financial statements were subjected to the auditing procedures applied in the 2019 audit of the basic consolidated financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2019 consolidated financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021, on our consideration of the Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 10, 2021

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020

	2020	2019
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 152,386	\$ 203,764
Cash restricted for program expenditures	601,738	387,326
Grants receivable	147,766	163,030
Inventory	15,139	16,251
Prepaid expenses and deposits	878	791
Other receivables	4,945	7,267
Investments	129,098	125,032
Other current assets	6,256	4,048
Total current assets	1,058,206	907,509
Property and equipment, net	919,673	998,401
Total assets	\$ 1,977,879	\$ 1,905,910
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 57,930	\$ 136,387
Accrued liabilities	108,162	142,077
Line of credit	180,000	250,000
Refundable advances	35,000	-
Current portion of notes payable	11,198	3,365
Total current liabilities	392,290	531,829
<u>NOTES PAYABLE, LESS CURRENT PORTION</u>	494,123	5,328
Total liabilities	886,413	537,157
<u>NET ASSETS</u>		
Without donor restrictions	501,872	736,060
With donor restrictions	589,594	632,693
Total net assets	1,091,466	1,368,753
Total liabilities and net assets	\$ 1,977,879	\$ 1,905,910

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

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and Support</u>			
Contracts- Federal	\$ 84,350	\$ -	\$ 84,350
Contracts- Local Government	54,000	-	54,000
Grants- Federal	582,308	28,005	610,313
Grants- Non-Federal	1,234,886	166,710	1,401,596
Contributions	200,276	2,480	202,756
Fundraising			
Events (Net of direct benefits to donors of \$5,495)	1,355	-	1,355
Exchange portion of membership dues	966	-	966
Lighthouse			
Museum admissions, net	7,843	-	7,843
Facility rental	1,910	-	1,910
Museum shop (Net of direct merchandise expense of \$5,142)	(141)	-	(141)
Pontchartrain Beach Rental	100	-	100
In-kind Donations			
Donated goods	183,345	-	183,345
Donated services	202,208	-	202,208
Other Income			
Investment income	16,682	831	17,513
Miscellaneous income	8,022	-	8,022
Payment Protection Program income	219,400	-	219,400
Net assets released from restrictions	241,125	(241,125)	-
Total revenues and other support	<u>3,038,635</u>	<u>(43,099)</u>	<u>2,995,536</u>
<u>Expenses</u>			
Program expenses			
Community outreach	943,851	-	943,851
Scientific programs	1,667,441	-	1,667,441
Total program expenses	<u>2,611,292</u>	<u>-</u>	<u>2,611,292</u>
Supporting services			
Fundraising	185,202	-	185,202
Management and general	476,329	-	476,329
Total supporting services	<u>661,531</u>	<u>-</u>	<u>661,531</u>
Total expenses	<u>3,272,823</u>	<u>-</u>	<u>3,272,823</u>
Change in net assets	(234,188)	(43,099)	(277,287)
<u>Net Assets, Beginning of Year</u>	<u>736,060</u>	<u>632,693</u>	<u>1,368,753</u>
<u>Net Assets, End of Year</u>	<u>\$ 501,872</u>	<u>\$ 589,594</u>	<u>\$ 1,091,466</u>

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

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and Support</u>			
Contracts- Federal	\$ 112,968	\$ -	\$ 112,968
Contracts- Local Government	-	-	-
Grants- Federal	544,213	54,889	599,102
Grants- Non-Federal	648,594	215,608	864,202
Contributions	141,379	22,669	164,048
Fundraising			
Events (Net of direct benefits to donors of \$20,229)	61,410	-	61,410
Registration fees	3,645	-	3,645
Exchange portion of membership dues	5,525	-	5,525
Lighthouse			
Museum admissions, net	34,845	-	34,845
Facility rental	16,120	-	16,120
Museum shop (Net of direct merchandise expense of \$12,482)	1,219	-	1,219
In-kind Donations			
Donated goods	198,683	-	198,683
Donated services	95,072	-	95,072
Donated land	6,360	-	6,360
Other Income			
Investment income	26,136	3,441	29,577
Miscellaneous income	29,228	-	29,228
Fee for service	2,500	-	2,500
Net assets released from restrictions	707,175	(707,175)	-
Total revenues and other support	<u>2,635,072</u>	<u>(410,568)</u>	<u>2,224,504</u>
<u>Expenses</u>			
Program expenses			
Community outreach	824,781	-	824,781
Scientific programs	1,837,534	-	1,837,534
Total program expenses	<u>2,662,315</u>	<u>-</u>	<u>2,662,315</u>
Supporting services			
Fundraising	226,321	-	226,321
Management and general	394,628	-	394,628
Total supporting services	<u>620,949</u>	<u>-</u>	<u>620,949</u>
Total expenses	<u>3,283,264</u>	<u>-</u>	<u>3,283,264</u>
Change in net assets	(648,192)	(410,568)	(1,058,760)
<u>Net Assets, Beginning of Year</u>	<u>1,384,252</u>	<u>1,043,261</u>	<u>2,427,513</u>
<u>Net Assets, End of Year</u>	<u>\$ 736,060</u>	<u>\$ 632,693</u>	<u>\$ 1,368,753</u>

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

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>		<u>Supporting Services</u>		Totals
	<u>Community Outreach</u>	<u>Scientific Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	
Salaries and stipends	\$ 257,851	\$ 503,127	\$ 46,934	\$ 265,386	\$ 1,073,298
Fringe benefits and payroll taxes	38,217	55,540	6,544	30,654	130,955
Advertising/PSA	73,046	1,740	4,181	-	78,967
Administrative expense	3,305	4,748	630	30,265	38,948
Computer and copier maintenance	36,245	51,954	16,297	24,085	128,581
Contractual services	106,712	216,597	62,121	46,030	431,460
Insurance	41,585	12,936	2,987	5,621	63,129
Occupancy	9,928	25,985	4,892	16,074	56,879
Printing and postage	2,678	598	85	3,564	6,925
Professional services	193,380	379,202	36,888	36,622	646,092
Repairs and maintenance	1,370	843	24	5	2,242
Supplies and equipment	18,055	41,794	244	1,340	61,433
Utilities	14,085	14,565	2,400	4,586	35,636
Travel	5,086	7,707	907	3,079	16,779
Vehicle and boat maintenance	1,796	36,225	68	-	38,089
Depreciation expense	61,458	16,398	-	-	77,856
In-kind donations	79,054	297,482	-	9,018	385,554
Total expenses per the statement of activities	943,851	1,667,441	185,202	476,329	3,272,823
Expenses netted against revenue					
Event expenses	-	-	5,495	-	5,495
Museum shop expenses	5,142	-	-	-	5,142
Total expenses	<u>\$ 948,993</u>	<u>\$ 1,667,441</u>	<u>\$ 190,697</u>	<u>\$ 476,329</u>	<u>\$ 3,283,460</u>

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

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services		Supporting Services		Totals
	Community Outreach	Scientific Programs	Fundraising	Management and General	
Salaries and stipends	\$ 223,524	\$ 511,148	\$ 50,579	\$ 195,501	\$ 980,752
Fringe benefits and payroll taxes	40,149	101,629	5,311	32,036	179,125
Advertising/PSA	48,274	2,640	9,760	-	60,674
Administrative expenses	4,606	8,196	1,661	15,312	29,775
Computer and copier maintenance	50,889	63,929	14,368	27,791	156,977
Contractual services	117,470	261,296	92,301	27,585	498,652
Insurance	35,571	10,010	2,569	4,587	52,737
Occupancy	9,225	30,546	4,137	21,806	65,714
Printing and postage	9,229	293	348	1,838	11,708
Professional services	115,148	439,723	37,930	39,255	632,056
Repairs and maintenance	653	-	48	11	712
Supplies and equipment	22,386	55,171	1,135	3,075	81,767
Utilities	16,836	13,253	2,666	4,023	36,778
Travel	20,218	31,607	2,498	5,360	59,683
Vehicle and boat maintenance	1,924	60,557	7	-	62,488
Depreciation expense	59,240	20,671	-	-	79,911
In-kind donations	49,439	226,865	1,003	16,448	293,755
Total expenses per the statement of activities	824,781	1,837,534	226,321	394,628	3,283,264
Expenses netted against revenue					
Event expenses	-	-	20,229	-	20,229
Museum shop expenses	12,482	-	-	-	12,482
Total expenses	\$ 837,263	\$ 1,837,534	\$ 246,550	\$ 394,628	\$ 3,315,975

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

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (277,287)	\$ (1,058,760)
Adjustments to reconcile change in net assets to net cash (used) in operating activities		
Depreciation	77,856	79,911
Interest and dividends	(2,903)	-
Net realized and unrealized gain (loss) on investments	178	(19,920)
Loss on sale of fixed assets	872	-
Change in assets and liabilities		
Grants receivable	15,264	184,185
Other receivables	2,322	4,504
Prepaid expenses	(87)	225
Inventory	1,112	3,102
Other current assets	(2,208)	-
Accounts payable	(78,457)	(1,765)
Accrued liabilities	(33,915)	16,926
Refundable advances	35,000	-
	<u>(262,253)</u>	<u>(791,592)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of fixed assets	-	(7,232)
Purchases of investments	(86,580)	-
Reinvestments of interest and dividends	-	(4,650)
Proceeds from sale of investments	85,239	61,644
	<u>(1,341)</u>	<u>49,762</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on line of credit	(70,000)	97,850
Proceeds from notes payable	500,000	-
Principal payments on notes payable	(3,372)	(3,238)
	<u>426,628</u>	<u>94,612</u>
Net increase (decrease) in cash	163,034	(647,218)
Cash, beginning of year	591,090	1,238,308
Cash, end of year	<u>\$ 754,124</u>	<u>\$ 591,090</u>
<u>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION:</u>		
Cash and cash equivalents	\$ 152,386	\$ 203,764
Cash restricted for program expenditures	601,738	387,326
Total cash and cash equivalents	<u>\$ 754,124</u>	<u>\$ 591,090</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid for interest	<u>\$ 21,691</u>	<u>\$ 5,870</u>

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

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Organization and Summary of Significant Accounting Policies

Organization

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

On January 20, 1998, Save Our Lake Endowment (the Endowment) was established to operate as a 501(c)(3) organization whose mission is to financially support the Pontchartrain Conservancy and its continuing efforts to restore and maintain Lake Pontchartrain.

The Conservancy and the Endowment are collectively referred to as the Entity.

The Conservancy operates the following programs and supporting services:

Community Outreach

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

Scientific Programs

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

Fundraising

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

Management and General

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Conservancy and the Endowment. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Basis of Accounting

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

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Basis of Presentation of Net Assets

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

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

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

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management monitors outstanding balances and writes off all balances deemed uncollectible. Management believes all outstanding balances as of December 31, 2020 to be fully collectible.

Inventories

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

Other Receivables

Other receivables mainly consist of receivables due from tour groups and settlements from credit card purchases made at the New Canal Lighthouse Museum. The Entity provides for estimated uncollectible receivables on a specific account basis as determined by management. Management believes all outstanding balances are fully collectible.

Property and Equipment

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

Revenue Recognition

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

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

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Revenue Recognition (continued)

A portion of the Conservancy's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Conservancy has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Conservancy reported refundable advances totaling \$35,000 as of December 31, 2020.

The Conservancy recognizes revenue from museum admissions and merchandise at the point of sale. Membership dues, which are nonrefundable, are recognized over the membership period which is generally one year. The performance obligations include a monthly subscription to the Conservancy's newsletter, free admission to the New Canal Lighthouse Museum, lighthouse prints, and certain discounts. Dues are recognized during the fiscal year as services are simultaneously received and consumed by the members.

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

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

In-Kind Donations

The value of contributed services is recorded, at fair value, as revenues and support and expenses in the period received, provided there is an objective basis for measurement of the value of such services and they are significant, require specialized skills and form an integral part of the Conservancy's efforts. See Note 13 for the detail of in-kind donations for 2020 and 2019.

Income Taxes

Pontchartrain Conservancy and Save Our Lake Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from State income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes has been included in the consolidated financial statements.

FASB ASC 740 provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statement. As of December 31, 2020, the Entity has determined that it does not have any uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax returns generally remain subject to examination by the taxing authorities for three years.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Functional Expenses

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

Compensated Absences

The Entity currently employs a compensated absences policy to which employees earn an escalating number of paid compensation hours each year based on the length of service provided to the Entity. Employees may carry over and accumulate annual leave time up to a maximum of 120 hours without forfeiture. As of December 31, 2020 and 2019, employees of the Entity had accumulated \$42,661 and \$33,398, respectively, of employee leave benefits. These amounts are included on the consolidated statements of financial position in accrued liabilities.

Advertising Expenses

The Entity expenses advertising costs as incurred. Advertising expense was \$78,967 and \$60,674 for the years ended December 31, 2020 and 2019, respectively.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. This reclassification had no effect on the previously reported change in net assets.

Recent Accounting Pronouncements - Not Yet Adopted

In February 2016, ASU 2016-02, *Leases* was issued. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, ASU 2018-11, *Leases (Topic 842): Targeted Improvements* was issued, to simplify the lease standard's implementation. On June 3, 2020, the effective date of this standard was deferred for certain entities. This standard will be effective for the Entity for annual periods beginning after December 15, 2021. The Entity is currently assessing the impact of this pronouncement on the consolidated financial statements.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Recent Accounting Pronouncements- Not Yet Adopted (continued)

In September 2020, the FASB issued ASU 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021. The Entity is currently assessing the impact of this pronouncement on the consolidated financial statements.

2. Cash Restricted for Program and Capital Expenditures

In accordance with Environmental Protection Agency grant agreements, the Conservancy is required to maintain separate checking accounts for which the use is restricted to the purpose of the grant. The Conservancy has also restricted funds to be used to fund the Lighthouse. As of December 31, 2020 and 2019, \$5,741 was restricted for the Lighthouse and \$595,997 and \$381,585, respectively, was restricted for program expenditures.

3. Liquidity and Availability

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 26,356	\$ 77,862
Grants receivable	147,766	163,030
Other receivables	4,945	7,267
Operating investments	<u>101,967</u>	<u>86,740</u>
Total	<u>\$ 281,034</u>	<u>\$ 334,899</u>

The Entity's objective is to maintain liquid financial assets without donor restrictions sufficient to cover twelve months of program expenditures. To manage liquidity, the Entity maintains a line of credit of \$250,000 with a financial institution that is drawn upon as needed to manage cash flow. See Note 9 for further description of this line of credit.

Additionally, the Entity records in-kind donations that historically fund approximately 13% of annual program and supporting activities. See Note 13 for more information regarding these donations.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

4. Concentration of Credit Risk

The Entity has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (“FDIC”). In addition, the Entity has cash equivalent accounts with a brokerage firm. The Securities Investor Protection Corporation insures these accounts up to \$250,000. The Entity has not experienced any losses, and does not believe that significant credit risk exists as a result of this practice.

5. Property and Equipment

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

	<u>2020</u>	<u>2019</u>
Land	\$ 12,360	\$ 12,360
Lighthouse building	1,083,303	1,083,303
Boat and other program equipment	316,090	316,962
Leasehold improvements	213,207	213,207
Computer equipment	48,269	48,269
Furniture and fixtures	12,819	13,663
	<u>1,686,048</u>	<u>1,687,764</u>
Less accumulated depreciation	<u>(766,375)</u>	<u>(689,363)</u>
Property and equipment, net	<u>\$ 919,673</u>	<u>\$ 998,401</u>

6. Investments

Investments at December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Mutual Investments	\$ 101,967	\$ 99,334
Pooled Investment Accounts	27,131	25,698
	<u>\$ 129,098</u>	<u>\$ 125,032</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Fair Value of Financial Instruments

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

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

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

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2020.

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

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

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Fair Value of Financial Instruments (continued)

The valuation of the Entity's assets measured at fair value on a recurring basis at December 31, 2020, are as follows:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 101,967	\$ -	\$ -	\$ 101,967
Pooled Investment Accounts ⁽¹⁾	-	-	-	27,131
	<u>\$ 101,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,098</u>

The valuation of the Entity's assets measured at fair value on a recurring basis at December 31, 2019, are as follows:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 99,334	\$ -	\$ -	\$ 99,334
Pooled Investment Accounts ⁽¹⁾	-	-	-	25,698
	<u>\$ 99,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,032</u>

⁽¹⁾ Certain investments measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

According to the Greater New Orleans Foundation (GNOF), the Investment Pool includes investments in a well-diversified asset mix, which includes equity and fixed income securities as well as private equity and investments in hedge funds which primarily invest in commodities. While management may request redemption of these investments at any time, the redemption amount is first subject to GNOF's distribution policies for endowed funds. Any exception to this policy must be approved by GNOF's board which usually is conservative in releasing funds above the amount that is annually distributed.

According to the Northshore Community Foundation (NCF), the Investment Pool includes investments in a well-diversified asset mix, which includes equity and fixed income securities as well as cash and alternative investments.

8. Endowment Funds

The Entity's endowments consist of the donor-restricted Greater New Orleans Foundation Endowment Fund and The Save Our Lake Endowment Fund created by the Entity, collectively known as the Endowment Funds. The Entity has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

8. Endowment Funds (continued)

As a result of the interpretation, the Entity retains in perpetuity:

- The original value of gifts donated to the endowment,
- The original value of subsequent gifts to the endowment, and
- Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

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

GNOF Endowment Fund

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

For the year ended December 31, 2020, the GNOF Endowment Fund investment return, net totaled \$924. For the year ended December 31, 2019, the investment return, net totaled \$1,753. For the years ended December 31, 2020 and 2019, the GNOF Endowment Fund appropriations totaled \$501 and \$495, respectively.

The Save Our Lake Endowment Fund

The Save Our Lake (SOL) Endowment Fund was established primarily for the purpose of maintaining the operations of the Entity and consists of donor-restricted funds.

Return Objectives and Risk Parameters. The SOL Endowment Fund is invested with the intention of obtaining general market returns with a minimum amount of investment and management expenses.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

8. Endowment Funds (continued)

Strategies Employed for Achieving Objectives. The investment funds are invested in a savings account as of December 31, 2020 and 2019 to minimize risk. In 2020, the SOL Endowment Fund Committee will address investment policy and options to invest with the intention of obtaining general market returns with a minimum amount of investment and management expenses.

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

For the each of the years ended December 31, 2020 and 2019, the SOL Endowment Fund investment return totaled \$126.

The composition of endowment net assets for the years ended December 31, 2020 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds			
SOL Endowment Fund	\$ -	\$ 126,028	\$ 126,028
GNOF Endowment Fund	-	12,324	12,324
Total Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 138,352</u>	<u>\$ 138,352</u>

The composition of endowment net assets for the years ended December 31, 2019 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds			
SOL Endowment Fund	\$ -	\$ 125,902	\$ 125,902
GNOF Endowment Fund	-	11,901	11,901
Total Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 137,803</u>	<u>\$ 137,803</u>

A summary of changes in the Entity's endowment net assets as of December 31, 2020, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets, January 1, 2020	\$ -	\$ 137,803	\$ 137,803
Contributions	-	-	-
Investment Return, Net	-	1,050	1,050
Amount Appropriated for Expenditures	-	(501)	(501)
Net Assets, December 31, 2020	<u>\$ -</u>	<u>\$ 138,352</u>	<u>\$ 138,352</u>

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

8. Endowment Funds (continued)

A summary of changes in the Entity's endowment net assets as of December 31, 2019, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets, January 1, 2019	\$ -	\$ 136,369	\$ 136,369
Contributions	-	50	50
Investment Return, Net	-	1,879	1,879
Amount Appropriated for Expenditures	-	(495)	(495)
Net Assets, December 31, 2019	<u>\$ -</u>	<u>\$ 137,803</u>	<u>\$ 137,803</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that either the donor or UPMIFA required the Entity to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. There were no such deficiencies as of December 31, 2020 and 2019.

9. Operating Leases

The Entity leased office space from the University of New Orleans Research and Technology Foundation, Inc. through May 31, 2020. In May 2020, the Entity entered into a lease agreement with 3501 N. Causeway Associates for office space. The lease is to be paid in monthly installments based on an agreed upon rate per square foot. The rate increases \$0.75 per square foot after the 24th installment and 49th installment. The Entity was not required to pay rent for the first three installments.

In February 2012, the Entity entered into an agreement to lease land for the Lighthouse Project. The agreement is for a primary term of five years with eleven additional five-year options to renew, with a maximum term of up to 60 years which may be extended by mutual agreement. The lease was renewed during 2016 and extended until 2021. The lease amount shall be increased by 15% for each five-year extension of the lease, should the option be exercised.

In June 2015, the Entity entered into an agreement to lease land for the Pontchartrain Beach. The agreement was for one year, with ten additional three-year options to renew, with a maximum term of up to 31 years which may be extended by mutual agreement. The lease was renewed during 2019 through June 2022.

In October 2018, the Entity entered into an agreement to lease office equipment. The lease term expires in September 2023.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

9. Operating Leases (continued)

The following is a schedule by year of future minimum rental payments required under the leases above that have initial or remaining lease terms in excess of one year as of December 31.

Year Ending December 31,	
2021	\$ 75,229
2022	75,198
2023	76,797
2024	77,529
2025	39,380
	<u>\$ 344,133</u>

Total rent expenses incurred under operating leases totaled \$53,767 and \$58,807 for the years ended December 31, 2020 and 2019 respectively.

10. Retirement Plan

The Entity sponsors a 401(k) plan covering all employees who have completed a minimum of one year of service. Eligible plan participants may contribute to the plan, and the Entity may make matching contributions on behalf of participants of up to 5% of employee contributions. The Entity's contributions to the plan totaled \$19,121 and \$15,213 for the years ended December 31, 2020 and 2019, respectively.

11. Line of Credit

On March 14, 2018, the Entity entered into a line of credit agreement with a financial institution to provide working capital. The line of credit matured on March 11, 2020 and was renewed with an extended maturity date of March 11, 2021. The line of credit provides for borrowings up to \$250,000 with a variable interest rate at the lender's prime rate less .75%. Collateral is all deposit accounts held by the Entity at this financial institution.

At December 31, 2020 and 2019, the outstanding balance was \$180,000 and \$250,000, respectively. The interest rate was 5.25% and 6.75%, respectively.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

12. Notes Payable

The Entity has a note payable to a local financial institution secured by a vehicle. The note is dated July 28, 2016, and matures July 28, 2022. The note is payable in equal monthly installments of \$305, including interest at 3.99%. The outstanding balance of the note as of December 31, 2020 and 2019 was \$5,321 and \$8,693, respectively.

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

The future payments on the notes payable as of December 31, 2020 are summarized as follows:

Year Ending December 31,		
2021	\$	11,198
2022		14,363
2023		12,597
2024		12,947
2025		13,308
Thereafter		440,908
	\$	<u>505,321</u>

13. In-Kind Donations

The Entity records the value of in-kind donations when the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which would typically need to be purchased if not provided by donation.

The fair value of in-kind donations and donated land and equipment for the years ended December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Donated land	\$ -	\$ 6,360
Donated goods	183,345	198,683
Donated services	<u>202,208</u>	<u>95,072</u>
	<u>\$ 385,553</u>	<u>\$ 300,115</u>

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

14. Restrictions on Net Assets

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

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

	2020	2019
Purpose restrictions:		
Coastal sustainability	\$ 355,016	\$ 316,244
Outreach and education	27,738	91,400
New Canal Lighthouse Museum	11,590	30,979
Communication	-	28,849
Public access	53,529	10,532
Water quality	3,369	8,816
Advocacy	-	5,710
Development	-	2,360
	<u>451,242</u>	<u>494,890</u>
Endowment Funds:		
Original gifts restricted in perpetuity	97,210	97,210
Accumulated income available for appropriation	41,142	40,593
	<u>138,352</u>	<u>137,803</u>
Total	<u>\$ 589,594</u>	<u>\$ 632,693</u>

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

14. Restrictions on Net Assets (continued)

The following net assets with donor restrictions were released during the years ended December 31, 2020 and 2019, due to time or satisfaction of donor restrictions:

	2020	2019
Purpose restrictions:		
Coastal sustainability	\$ 184,932	\$ 543,350
Outreach and education	47,478	68,556
New Canal Lighthouse Museum	1,602	10,560
Communication	-	-
Public access	-	27,552
Water quality	7,113	43,120
Advocacy	-	-
Development	-	-
Other	-	14,037
Total	<u>\$ 241,125</u>	<u>\$ 707,175</u>

15. Risk and Uncertainties

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

16. Outbreak of COVID-19 and Paycheck Protection Program

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the continuing impact of the COVID-19 pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, employees and vendors, all of which are uncertain and cannot be predicted.

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

16. Outbreak of COVID-19 and Paycheck Protection Program (continued)

During the year ended December 31, 2020, the Entity applied for and was approved for a \$219,400 loan under the Paycheck Protection Program administered by the Small Business Administration as part of the relief efforts related to COVID-19. The Entity is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized. The Agency recognized \$219,400 of the loan as revenue, which is recorded in the consolidated statement of activities for 2020, having met the conditions for forgiveness by incurring eligible expenditures.

17. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 10, 2021, and determined that the following event occurred that required disclosure. No other subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

During 2021, the Entity applied for and was approved for a second loan under the Paycheck Protection Program, totaling \$219,487. The Entity is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. As of June 10, 2021, the Entity has not yet applied for forgiveness.

SUPPLEMENTAL INFORMATION

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	<u>ASSETS</u>			
	<u>Pontchartrain</u>	<u>Save our Lake</u>		<u>Total</u>
	<u>Conservancy</u>	<u>Endowment</u>	<u>Eliminations</u>	
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 26,358	\$ 126,028	\$ -	\$ 152,386
Cash restricted for program expenditures	601,738	-	-	601,738
Grants receivable	147,766	-	-	147,766
Inventory	15,139	-	-	15,139
Prepaid expenses	878	-	-	878
Other receivables	4,945	-	-	4,945
Investments	129,098	-	-	129,098
Other current assets	6,256	-	-	6,256
Total current assets	932,178	126,028	-	1,058,206
<u>NONCURRENT ASSETS</u>				
Property and equipment, net	919,673	-	-	919,673
Controlling interest in Save our Lake Endowment, Inc.	126,028	-	(126,028)	-
Total noncurrent assets	1,045,701	-	(126,028)	919,673
Total assets	\$ 1,977,879	\$ 126,028	\$ (126,028)	\$ 1,977,879
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 57,930	\$ -	\$ -	\$ 57,930
Accrued liabilities	108,162	-	-	108,162
Line of credit	180,000	-	-	180,000
Refundable advances	35,000	-	-	35,000
Current portion of note payable	11,198	-	-	11,198
Total current liabilities	392,290	-	-	392,290
Note payable- noncurrent portion	494,123	-	-	494,123
Total liabilities	886,413	-	-	886,413
<u>NET ASSETS</u>				
Without donor restrictions	501,872	-	-	501,872
With donor restrictions	589,594	126,028	(126,028)	589,594
Total net assets	1,091,466	126,028	(126,028)	1,091,466
Total liabilities and net assets	\$ 1,977,879	\$ 126,028	\$ (126,028)	\$ 1,977,879

See accompanying independent auditors' report.

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	<u>A S S E T S</u>			
	<u>Pontchartrain Conservancy</u>	<u>Save our Lake Endowment</u>	<u>Eliminations</u>	<u>Total</u>
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 77,862	\$ 125,902	\$ -	\$ 203,764
Cash restricted for program expenditures	387,326	-	-	387,326
Grants receivable	163,030	-	-	163,030
Inventory	16,251	-	-	16,251
Prepaid expenses	791	-	-	791
Other receivables	7,267	-	-	7,267
Investments	125,032	-	-	125,032
Other current assets	4,048	-	-	4,048
Total current assets	<u>781,607</u>	<u>125,902</u>	<u>-</u>	<u>907,509</u>
<u>NONCURRENT ASSETS</u>				
Property and equipment, net	998,401	-	-	998,401
Controlling interest in Save our Lake Endowment, Inc.	125,902	-	(125,902)	-
Total noncurrent assets	<u>1,124,303</u>	<u>-</u>	<u>(125,902)</u>	<u>998,401</u>
Total assets	<u>\$ 1,905,910</u>	<u>\$ 125,902</u>	<u>\$ (125,902)</u>	<u>\$ 1,905,910</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 136,387	\$ -	\$ -	\$ 136,387
Accrued liabilities	142,077	-	-	142,077
Line of credit	250,000	-	-	250,000
Current portion of note payable	3,365	-	-	3,365
Total current liabilities	<u>531,829</u>	<u>-</u>	<u>-</u>	<u>531,829</u>
Note payable- noncurrent portion	5,328	-	-	5,328
Total liabilities	<u>537,157</u>	<u>-</u>	<u>-</u>	<u>537,157</u>
<u>NET ASSETS</u>				
Without donor restrictions	736,060	-	-	736,060
With donor restrictions	632,693	125,902	(125,902)	632,693
Total net assets	<u>1,368,753</u>	<u>125,902</u>	<u>(125,902)</u>	<u>1,368,753</u>
Total liabilities and net assets	<u>\$ 1,905,910</u>	<u>\$ 125,902</u>	<u>\$ (125,902)</u>	<u>\$ 1,905,910</u>

See accompanying independent auditors' report.

**PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Pontchartrain Conservancy</u>			<u>Save our Lake Endowment, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT								
Contracts- Federal	\$ 84,350	\$ -	\$ 84,350	\$ -	\$ -	\$ 84,350	\$ -	\$ 84,350
Contracts- Local Government	54,000	-	54,000	-	-	54,000	-	54,000
Grants- Federal	582,308	28,005	610,313	-	-	582,308	28,005	610,313
Grants- Non-Federal	1,234,886	166,710	1,401,596	-	-	1,234,886	166,710	1,401,596
Contributions	200,276	2,480	202,756	-	-	200,276	2,480	202,756
Fundraising								
Events (Net of direct benefits to donors of \$5,495)	1,355	-	1,355	-	-	1,355	-	1,355
Registration fees	-	-	-	-	-	-	-	-
Exchange portion of membership dues	966	-	966	-	-	966	-	966
Lighthouse								
Museum admissions, net	7,843	-	7,843	-	-	7,843	-	7,843
Facility rental	1,910	-	1,910	-	-	1,910	-	1,910
Museum shop (Net of direct merchandise expense of \$5,142)	(141)	-	(141)	-	-	(141)	-	(141)
Pontchartrain Beach Rental	100	-	100	-	-	100	-	100
In-kind Donations								
Donated goods	183,345	-	183,345	-	-	183,345	-	183,345
Donated services	202,208	-	202,208	-	-	202,208	-	202,208
Donated land	-	-	-	-	-	-	-	-
Other Income								
Investment income	16,682	831	17,513	126	(126)	16,682	831	17,513
Miscellaneous income	8,022	-	8,022	-	-	8,022	-	8,022
Payment Protection Program income	219,400	-	219,400	-	-	219,400	-	219,400
Net assets released from restrictions	241,125	(241,125)	-	-	-	241,125	(241,125)	-
Total revenues and other support	<u>3,038,635</u>	<u>(43,099)</u>	<u>2,995,536</u>	<u>126</u>	<u>(126)</u>	<u>3,038,635</u>	<u>(43,099)</u>	<u>2,995,536</u>
EXPENSES								
Program expenses								
Community outreach	943,851	-	943,851	-	-	943,851	-	943,851
Scientific programs	1,667,441	-	1,667,441	-	-	1,667,441	-	1,667,441
Total program expenses	<u>2,611,292</u>	<u>-</u>	<u>2,611,292</u>	<u>-</u>	<u>-</u>	<u>2,611,292</u>	<u>-</u>	<u>2,611,292</u>
Supporting services								
Fundraising	185,202	-	185,202	-	-	185,202	-	185,202
Management and general	476,329	-	476,329	-	-	476,329	-	476,329
Total supporting services	<u>661,531</u>	<u>-</u>	<u>661,531</u>	<u>-</u>	<u>-</u>	<u>661,531</u>	<u>-</u>	<u>661,531</u>
Total expenses	<u>3,272,823</u>	<u>-</u>	<u>3,272,823</u>	<u>-</u>	<u>-</u>	<u>3,272,823</u>	<u>-</u>	<u>3,272,823</u>
Change in net assets	(234,188)	(43,099)	(277,287)	126	(126)	(234,188)	(43,099)	(277,287)
NET ASSETS, BEGINNING OF YEAR	<u>736,060</u>	<u>632,693</u>	<u>1,368,753</u>	<u>125,902</u>	<u>(125,902)</u>	<u>736,060</u>	<u>632,693</u>	<u>1,368,753</u>
NET ASSETS, END OF YEAR	<u>\$ 501,872</u>	<u>\$ 589,594</u>	<u>\$ 1,091,466</u>	<u>\$ 126,028</u>	<u>\$ (126,028)</u>	<u>\$ 501,872</u>	<u>\$ 589,594</u>	<u>\$ 1,091,466</u>

See accompanying independent auditors' report.

**PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Pontchartrain Conservancy			Save our Lake Endowment, Inc.	Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	With Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT								
Contracts- Federal	\$ 112,968	\$ -	\$ 112,968	\$ -	\$ -	\$ 112,968	\$ -	\$ 112,968
Contracts- Local Government	-	-	-	-	-	-	-	-
Grants- Federal	544,213	54,889	599,102	-	-	544,213	54,889	599,102
Grants- Non-Federal	648,594	215,608	864,202	-	-	648,594	215,608	864,202
Contributions	141,379	22,669	164,048	-	-	141,379	22,669	164,048
Fundraising								
Events (Net of direct benefits to donors of \$20,229)	61,410	-	61,410	-	-	61,410	-	61,410
Registration fees	3,645	-	3,645	-	-	3,645	-	3,645
Exchange portion of membership dues	5,525	-	5,525	-	-	5,525	-	5,525
Lighthouse								
Museum admissions, net	34,845	-	34,845	-	-	34,845	-	34,845
Facility rental	16,120	-	16,120	-	-	16,120	-	16,120
Museum shop (Net of direct merchandise expense of \$12,482)	1,219	-	1,219	-	-	1,219	-	1,219
In-kind Donations								
Donated goods	198,683	-	198,683	-	-	198,683	-	198,683
Donated services	95,072	-	95,072	-	-	95,072	-	95,072
Donated land	6,360	-	6,360	-	-	6,360	-	6,360
Other Income								
Investment income	26,136	3,441	29,577	126	(126)	26,136	3,441	29,577
Miscellaneous income	29,228	-	29,228	-	-	29,228	-	29,228
Fee for service	2,500	-	2,500	-	-	2,500	-	2,500
Net assets released from restrictions	707,175	(707,175)	-	-	-	707,175	(707,175)	-
Total revenues and other support	2,635,072	(410,568)	2,224,504	126	(126)	2,635,072	(410,568)	2,224,504
EXPENSES								
Program expenses								
Community outreach	824,781	-	824,781	-	-	824,781	-	824,781
Scientific programs	1,837,534	-	1,837,534	-	-	1,837,534	-	1,837,534
Total program expenses	2,662,315	-	2,662,315	-	-	2,662,315	-	2,662,315
Supporting services								
Fundraising	226,321	-	226,321	-	-	226,321	-	226,321
Management and general	394,628	-	394,628	-	-	394,628	-	394,628
Total supporting services	620,949	-	620,949	-	-	620,949	-	620,949
Total expenses	3,283,264	-	3,283,264	-	-	3,283,264	-	3,283,264
Change in net assets	(648,192)	(410,568)	(1,058,760)	126	(126)	(648,192)	(410,568)	(1,058,760)
NET ASSETS, BEGINNING OF YEAR	1,384,252	1,043,261	2,427,513	125,776	(125,776)	1,384,252	1,043,261	2,427,513
NET ASSETS, END OF YEAR	\$ 736,060	\$ 632,693	\$ 1,368,753	\$ 125,902	\$ (125,902)	\$ 736,060	\$ 632,693	\$ 1,368,753

See accompanying independent auditors' report.

PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Kristi Trail, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 144,977
Benefits - insurance	4,713
Benefits - retirement	2,409
Benefits - taxes	10,816
Benefits - other	1,546
Travel	728
Conference travel	
	<hr/>
	\$ 165,189
	<hr/> <hr/>

See accompanying independent auditors' report.

**INDEPENDENT AUDITOR’S 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
Pontchartrain Conservancy and Save our Lake Endowment, Inc.

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 consolidated financial statements of Pontchartrain Conservancy (the Conservancy) and Save our Lake Endowment, Inc. (the Endowment), collectively, the Entity (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities, functional expenses and cash flow for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Entity’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity’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 consolidated 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 Entity’s consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Postlethwaite & Netterville

Metairie, Louisiana
June 10, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Directors of
Pontchartrain Conservancy and Save our Lake Endowment, Inc.

Report on Compliance for Each Major Federal Program

We have audited the Entity’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Entity’s major federal programs for the year ended December 31, 2020. The Entity’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of the Entity’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the Entity’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Entity’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Entity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Entity is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Entity's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
June 10, 2021

**PONTCHARTRAIN CONSERVANCY
AND SAVE OUR LAKE ENDOWMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>	<i>Passed through to Subrecipients</i>
<u>United States National Oceanic and Atmospheric Administration</u>				
Direct Programs:				
Pontchartrain Beach STEM Education	11.008		\$ 13,504	\$ -
Pontchartrain Beach STEM Education	11.008		26,296	-
Marine Debris Removal	11.999		95,684	44,859
Total United States National Oceanic and Atmospheric Administration			135,484	44,859
<u>United States Department of Transportation</u>				
Pipeline and Hazardous Materials Safety Administration	20.710		22,188	-
Pipeline and Hazardous Materials Safety Administration	20.710		95,000	-
Total United States Department of Transportation			117,188	-
<u>United States Environmental Protection Agency</u>				
Direct Programs:				
Gulf of Mexico Program - Ponchitolawa Watershed	66.475		139,953	105,749
Gulf of Mexico Program	66.475		9,922	-
Gulf of Mexico Program - Bayou Lacombe Watershed	66.475		80,570	46,494
			230,445	152,243
Passed through the University of New Orleans:				
Lake Pontchartrain Basin Restoration Program (PRP)	66.125	BR-01F57501	86,736	-
Lake Pontchartrain Basin Restoration Program (PRP)	66.125	BR-01F84101	7,677	-
			94,413	-
Passed through St. Tammany Parish:				
Bayou Liberty Home System Inspections	66.125	16-026	4,729	-
Ponchitolawa Watershed	66.125	N/A	23,009	-
Abita River Home System Inspections	66.475	S110966	54,058	-
			81,796	-
Total United States Environmental Protection Agency			406,654	152,243
<u>United States Department of Homeland Security</u>				
Passed through United States Coast Guard:				
United States Coast Guard	97.U01	N/A	2,845	-
United States Coast Guard	97.U01	N/A	4,402	-
Total United States Department of Homeland Security			7,247	-
<u>United States Small Business Administration</u>				
Direct Program:				
Economic Injury Disaster Loan	59.008		500,000	-
Total United States Small Business Administration			500,000	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,166,573	\$ 197,102

See accompanying Independent Auditors' Report

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2020

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Pontchartrain Conservancy (the "Conservancy") and Save Our Lake Endowment, Inc. (the "Endowment"), collectively, the Entity. The Entity's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended December 31, 2020. All federal awards received from federal agencies are included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Entity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Entity.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Conservancy has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Relationship to the Financial Statements

Federal awards are included in the consolidated financial statements of the Conservancy as follows:

Contracts - Federal	\$	83,068
Grants- Federal		610,313
Notes payable (Economic Injury Disaster Loan)		500,000
Add: revenues recorded in a prior period for expenditures incurred in 2020		7,775
Less: revenues recorded in 2020 for prior period expenditures		(34,583)
		<u>\$ 1,166,573</u>

In addition to the federal awards noted above, the Agency received a \$219,400 loan under the Paycheck Protection Program during 2020, which was administered by the Small Business Administration as part of the relief efforts related to COVID-19, which is not required to be included in the Schedule.

4. Economic Injury Disaster Loan

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

PONTCHARTRAIN CONSERVANCY AND SAVE OUR LAKE ENDOWMENT INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2020

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted: no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings which are required to be reported in accordance with the 2 CFR 200.516(a)? no

Identification of major programs:

<u>Program Name</u>	<u>CFDA #</u>
Gulf of Mexico Program	66.475
Lake Pontchartrain Basin Restoration Program	66.125
Economic Injury Disaster Loan	59.008

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? no

(2) Findings relating to the consolidated financial statements reported in accordance with Government Auditing Standards:

None

(3) Findings and questioned costs relating to federal awards:

None