

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

Audits of Consolidated Financial Statements

December 31, 2017 and 2016



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## **Independent Auditor's Report**

To the Board of Directors  
Lake Pontchartrain Basin Foundation and Save Our Lake Endowment  
New Orleans, Louisiana

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

We have audited the accompanying consolidated financial statements of Lake Pontchartrain Basin Foundation (the Foundation) and Save Our Lake Endowment (the Endowment), collectively, the Entity, which comprise the consolidated statement of financial position as of December 31, 2017, the related consolidated statements 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.

### **Auditor's 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 auditor's 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 auditor considers 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.

#### **LOUISIANA • TEXAS**

**Opinion**

In our opinion, the 2017 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Entity as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance 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, 2016, were audited by other auditors whose report dated June 21, 2017, expressed an unmodified opinion on those statements.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2018 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.



A Professional Accounting Corporation

Metairie, LA  
June 13, 2018

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**  
Consolidated Statements of Financial Position  
December 31, 2017 and 2016

	2017	2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 238,113	\$ 275,202
Cash Restricted for Program Expenditures	906,751	990,139
Investments	171,390	156,924
Grants Receivable	288,126	180,034
Pledges Receivable	-	18,689
Inventory	12,838	11,234
Prepaid Expenses	829	1,292
Other Receivables	13,308	306,868
Other Current Asset	4,048	4,048
<b>Total Current Assets</b>	<b>1,635,403</b>	<b>1,944,430</b>
<b>Property and Equipment, Net</b>	<b>1,153,912</b>	<b>1,195,170</b>
<b>Total Assets</b>	<b>\$ 2,789,315</b>	<b>\$ 3,139,600</b>
<b>Current Liabilities</b>		
Accounts Payable	\$ 76,652	\$ 85,381
Accrued Liabilities	103,251	74,860
Current Portion of Note Payable	3,108	2,986
<b>Total Current Liabilities</b>	<b>183,011</b>	<b>163,227</b>
<b>Note Payable, Less Current Portion</b>	<b>12,186</b>	<b>15,284</b>
<b>Total Liabilities</b>	<b>195,197</b>	<b>178,511</b>
<b>Net Assets</b>		
Unrestricted	1,534,491	1,854,882
Temporarily Restricted	962,417	1,008,997
Permanently Restricted	97,210	97,210
<b>Total Net Assets</b>	<b>2,594,118</b>	<b>2,961,089</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,789,315</b>	<b>\$ 3,139,600</b>

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

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidated Statement of Activities  
For the Year Ended December 31, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains, Losses, and Other Support</b>				
Contracts - Federal	\$ 9,579	\$ 65,251	\$ -	\$ 74,830
Contracts - Local Government	793	67,374	-	68,167
Grants - Federal	716,502	-	-	716,502
Grants - Non-Federal	64,468	730,028	-	794,496
Settlement	-	50,000	-	50,000
Contributions	50,672	80,671	-	131,343
Fundraising				
Events	89,494	-	-	89,494
Membership Dues	30,020	-	-	30,020
Lighthouse				
Museum Admissions, Net	35,170	-	-	35,170
Donations	2,268	-	-	2,268
Facility Rental	10,495	-	-	10,495
Museum Shop (Net of Direct Merchandise Expense of \$8,012)	42,217	-	-	42,217
Other Income				
Investment Income	12,475	6,312	-	18,787
Miscellaneous Income	11,192	-	-	11,192
<b>Total Revenues, Gains, Losses, and Other Support Before Donated Goods and Services</b>	<b>1,075,345</b>	<b>999,636</b>	<b>-</b>	<b>2,074,981</b>
Donated Goods	124,249	-	-	124,249
Donated Services	141,422	-	-	141,422
	<b>265,671</b>	<b>-</b>	<b>-</b>	<b>265,671</b>
<b>Net Assets Released from Restrictions</b>				
Satisfaction of Purpose Restrictions	1,046,216	(1,046,216)	-	-
<b>Total Revenues, Gains, Losses and Other Support</b>	<b>2,387,232</b>	<b>(46,580)</b>	<b>-</b>	<b>2,340,652</b>
<b>Expenses</b>				
Program Expenses				
Community Outreach	634,318	-	-	634,318
Scientific Programs	1,389,643	-	-	1,389,643
Supporting Services				
Fundraising	300,296	-	-	300,296
Management and General	383,366	-	-	383,366
<b>Total Expenses</b>	<b>2,707,623</b>	<b>-</b>	<b>-</b>	<b>2,707,623</b>
<b>Change in Net Assets</b>	<b>(320,391)</b>	<b>(46,580)</b>	<b>-</b>	<b>(366,971)</b>
<b>Net Assets, Beginning of Year</b>	<b>1,854,882</b>	<b>1,008,997</b>	<b>97,210</b>	<b>2,961,089</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,534,491</b>	<b>\$ 962,417</b>	<b>\$ 97,210</b>	<b>\$ 2,594,118</b>

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

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidated Statement of Activities  
For the Years Ended December 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains, Losses, and Other Support</b>				
Contracts - Federal	\$ 2,564	\$ 1,234	\$ -	\$ 3,798
Contracts - Local Government	44,119	14,999	-	59,118
Grants - Federal	792,194	-	-	792,194
Grants - Non-Federal	333,284	649,861	-	983,145
Settlement	300,000	-	-	300,000
Contributions	230,096	128,451	-	358,547
Fundraising				
Events	53,279	-	-	53,279
Membership Dues	25,503	-	-	25,503
Lighthouse				
Museum Admissions, Net	35,342	-	-	35,342
Donations	2,184	-	-	2,184
Facility Rental	12,040	-	-	12,040
Museum Shop (Net of Direct Merchandise Expense of \$9,092)	8,196	-	-	8,196
Other Income				
Investment Income	21,842	2,825	-	24,667
Miscellaneous Income	10,699	-	-	10,699
<b>Total Support and Revenues Before Support Before Donated Goods and Services</b>	<b>1,871,342</b>	<b>797,370</b>	<b>-</b>	<b>2,668,712</b>
Donated Goods	98,081	-	-	98,081
Donated Services	227,380	-	-	227,380
	<b>325,461</b>	<b>-</b>	<b>-</b>	<b>325,461</b>
<b>Net Assets Released from Restrictions</b>				
Satisfaction of Purpose Restrictions	501,159	(501,159)	-	-
<b>Total Revenues, Gains, Losses, and Other Support</b>	<b>2,697,962</b>	<b>296,211</b>	<b>-</b>	<b>2,994,173</b>
<b>Expenses</b>				
Program Expenses				
Community Outreach	795,501	-	-	795,501
Scientific Programs	1,224,176	-	-	1,224,176
Supporting Services				
Fundraising	186,356	-	-	186,356
Management and General	369,981	-	-	369,981
<b>Total Expenses</b>	<b>2,576,014</b>	<b>-</b>	<b>-</b>	<b>2,576,014</b>
<b>Change in Net Assets</b>	<b>121,948</b>	<b>296,211</b>	<b>-</b>	<b>418,159</b>
<b>Net Assets, Beginning of Year</b>	<b>1,732,934</b>	<b>712,786</b>	<b>97,210</b>	<b>2,542,930</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,854,882</b>	<b>\$ 1,008,997</b>	<b>\$ 97,210</b>	<b>\$ 2,961,089</b>

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

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2017**

	Program Services		Support Services		Totals
	Community Outreach	Scientific Programs	Fundraising	Management and General	
Salaries	\$ 206,819	\$ 413,951	\$ 97,877	\$ 191,683	\$ 910,330
Fringe Benefits and Payroll Taxes	42,395	110,161	19,265	41,515	213,336
Event Expense	60	33	47,199	143	47,435
Advertising/PSA	874	-	687	-	1,561
Computer and Copier Maintenance	33,954	40,661	15,922	17,849	108,386
Contract Services	47,441	299,073	68,631	21,592	436,737
Dues and Subscriptions	1,433	4,438	951	1,460	8,282
Insurance	46,717	12,579	8,557	1,024	68,877
Laboratory Fees	-	82,806	-	-	82,806
Occupancy	14,727	22,628	5,872	22,436	65,663
Operating	-	631	-	981	1,612
Printing and Postage	4,267	7,704	640	901	13,512
Professional Services	45,782	79,513	7,477	22,487	155,259
Repairs and Maintenance (Non-Movable)	3,310	-	59	2	3,371
Research and Study	-	50,279	-	-	50,279
Seminars and Conferences	742	1,014	828	1,880	4,464
Supplies and Equipment	29,323	50,719	4,973	11,459	96,474
Taxes and Licenses	630	343	89	3,661	4,723
Telephone and Internet	6,446	12,855	2,415	4,202	25,918
Travel	5,040	16,819	2,572	3,907	28,338
Vehicle and Boat Maintenance	1,847	24,002	291	10	26,150
<b>Total Functional Expenses Before Depreciation and In-Kind Donations</b>	<b>491,807</b>	<b>1,230,209</b>	<b>284,305</b>	<b>347,192</b>	<b>2,353,513</b>
Depreciation	59,206	26,899	2,312	22	88,439
In-Kind Donations	83,305	132,535	13,679	36,152	265,671
<b>Total Functional Expenses</b>	<b>\$ 634,318</b>	<b>\$ 1,389,643</b>	<b>\$ 300,296</b>	<b>\$ 383,366</b>	<b>\$ 2,707,623</b>

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

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2016**

	Program Services		Support Services		Totals
	Community Outreach	Scientific Programs	Fundraising	Management and General	
Salaries	\$ 159,279	\$ 304,565	\$ 63,150	\$ 155,376	\$ 682,370
Fringe Benefits and Payroll Taxes	42,032	85,256	16,018	39,123	182,429
Event Expense	-	-	16,908	-	16,908
Advertising/PSA	1,550	-	-	-	1,550
Computer and Copier Maintenance	19,912	25,294	13,099	14,398	72,703
Contract Services	30,647	348,950	31,878	68,900	480,375
Dues and Subscriptions	1,530	3,979	981	621	7,111
Insurance	25,497	19,701	10,051	8,066	63,315
Laboratory Fees	1,603	102,994	-	-	104,597
Occupancy	12,525	23,633	5,082	21,993	63,233
Operating	-	320	-	4	324
Pontchartrain Beach Enhancements	135,873	-	-	-	135,873
Printing and Postage	7,216	751	4,303	1,348	13,618
Professional Services	93,492	48,486	9,465	22,365	173,808
Repairs and Maintenance (Non-Movable)	5,647	-	139	33	5,819
Research and Study	-	27,500	-	-	27,500
Seminars and Conferences	310	5,453	298	1,388	7,449
Supplies and Equipment	27,063	31,981	3,155	7,988	70,187
Taxes and Licenses	2,880	229	255	3,865	7,229
Telephone and Internet	5,406	10,374	2,021	4,962	22,763
Travel	1,443	17,671	144	17	19,275
Vehicle and Boat Maintenance	4,141	17,683	47	11	21,882
<b>Total Functional Expenses Before Depreciation and In-Kind Donations</b>	<b>578,046</b>	<b>1,074,820</b>	<b>176,994</b>	<b>350,458</b>	<b>2,180,318</b>
Depreciation	57,665	24,814	2,656	-	85,135
In-Kind Donations	159,790	124,542	6,706	19,523	310,561
<b>Total Functional Expenses</b>	<b>\$ 795,501</b>	<b>\$ 1,224,176</b>	<b>\$ 186,356</b>	<b>\$ 369,981</b>	<b>\$ 2,576,014</b>

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

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2017 and 2016**

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (366,971)	\$ 418,159
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Depreciation and Amortization	88,439	85,135
(Gain) Loss on Sales of Investments	(2,812)	2,941
Unrealized Gain on Investments	(9,582)	(21,546)
Donated Fixed Assets	-	(14,900)
(Increase) Decrease in:		
Pledge Receivables	18,689	(18,689)
Other Receivables	293,560	(299,704)
Prepaid Expense	463	(1,262)
Grant Receivables	(108,092)	29,106
Inventory	(1,604)	2,366
Increase (Decrease) in:		
Accounts Payable	(8,729)	14,994
Accrued Liabilities	28,391	-
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(68,248)</b>	<b>196,600</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(47,181)	(46,407)
Reinvestment of Interest and Dividends	(2,072)	(3,387)
Proceeds from Sale of Investments	-	189,836
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(49,253)</b>	<b>140,042</b>
<b>Cash Flows from Financing Activities</b>		
Payment on Note Payable	(2,976)	(1,205)
<b>Net Cash Used in Financing Activities</b>	<b>(2,976)</b>	<b>(1,205)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(120,477)</b>	<b>335,437</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,265,341</b>	<b>929,904</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,144,864</b>	<b>\$ 1,265,341</b>
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and Cash Equivalents	\$ 238,113	\$ 275,202
Cash Restricted for Program Expenditures	906,751	990,139
	<b>\$ 1,144,864</b>	<b>\$ 1,265,341</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid for Interest	\$ 685	\$ 320

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

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Organization**

**Nature of Organization**

Lake Pontchartrain Basin Foundation (the Foundation) is a non-profit, publicly supported organization. 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.

The Foundation has established goals of attaining improved water quality standards of Lake Pontchartrain and its major tributaries, and the protection and restoration of the Lake Pontchartrain Basin's natural resources including its coast. The Foundation assists and coordinates efforts with Federal, state, and local agencies to clean up and restore the Lake Pontchartrain Basin. The Foundation also undertakes programs and funds research in areas such as municipal runoff, sewage systems, industrial discharge, agricultural discharge, saltwater intrusion, erosion, and habitat restoration.

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 Lake Pontchartrain Basin Foundation and its continuing efforts to restore and maintain Lake Pontchartrain.

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

**Note 2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and liabilities.

**Basis of Presentation**

The Entity reports information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of the Entity and changes therein are classified and reported as follows:

**Unrestricted Net Assets**

Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets**

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Entity and/or the passage of time.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Permanently Restricted Net Assets**

Net assets subject to donor-imposed stipulations that are maintained permanently by the Entity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related cash and investments for general or specific purposes.

**Principles of Consolidation**

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

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purposes of the consolidated statement 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 in mutual funds with readily determinable fair values are measured at fair value and investments in pooled investment accounts are measured at net asset value by the custodian in the consolidated statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the consolidated statement of activities as increases or decreases in unrestricted net assets unless the income is restricted by the donor or law.

For the purposes of the consolidated statements of cash flows, the Entity considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

**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, 2017 to be fully collectible.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Pledges Receivable**

Contributions are recognized when a donor makes a promise to give to the Entity that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Promises of donors to make contributions to the Entity are included in the consolidated financial statements as pledges receivables.

**Inventories**

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

**Other Receivables**

The Foundation 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 is 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.

**Grants, Contributions and Other Revenue**

Grants and contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted and grant contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Other sources of revenue include contracts, settlements, sales of merchandise, and fund raising events. Revenue is recognized when earned.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Allocated Expenses**

The costs of providing the programs and other activities are summarized in the consolidated statement of functional expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimates of the costs involved.

**Compensated Absences**

The Foundation 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 Foundation. Employees may carry over and accumulate annual leave time up to a maximum of 120 hours without forfeiture.

As of December 31, 2017 and 2016, employees of the Foundation had accumulated \$28,899 and \$19,222, respectively, of employee leave benefits. These amounts are included on the consolidated statement of financial position in accrued liabilities.

**Advertising Expenses**

The Foundation expenses advertising costs as incurred. Advertising expense was \$1,561 and \$1,550 for the years ended December 31, 2017 and 2016, respectively.

**Reclassifications**

Certain reclassifications have been made to the 2016 financial statement presentation to correspond to the current year's format.

**Adoption of ASU 2015-07**

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which exempts investments measured using the net asset value (NAV) practical expedient in Topic 820, *Fair Value Measurement*, from categorization within the fair value hierarchy. The guidance requires retrospective application and is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2015. For all other entities, the guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Management has adopted the provisions of this ASU. Accordingly, the amendment was retrospectively applied resulting in the elimination of investments measured using the NAV practical expedient from categorization within the fair value hierarchy table in Note 6 and related disclosures.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements - Not Yet Adopted**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Entity has not yet selected a transition method and is currently evaluating the effect that the standard will have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Foundation is currently evaluating the impact of the pending adoption of the new standard on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-05 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Entity is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements.

**Note 3. Cash Restricted for Program and Capital Expenditures**

In accordance with Environmental Protection Agency grant agreements, the Foundation is required to maintain separate checking accounts for which the use is restricted to the purpose of the grant. The Foundation has also restricted funds to be used to fund the Lighthouse renovation and construction project (the Lighthouse Project). As of December 31, 2017 and 2016, \$23,727 and \$37,193, respectively, was restricted for the Lighthouse Project and \$883,024 and \$952,946, respectively, was restricted for program expenditures.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 4. Concentration of Credit Risk**

The Entity maintains cash accounts at several local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000 as of December 31, 2017. In addition, the Foundation has cash equivalent accounts with a brokerage firm. The Securities Investor Protection Corporation insures these accounts up to \$250,000. At December 31, 2017 and 2016, the Entity had \$494,574 and \$-0-, respectively, in excess of the FDIC insured limit.

The Foundation periodically maintains cash in bank accounts in excess of insured limits. The Foundation has not experienced any losses and do not believe that significant credit risk exists as a result of this practice.

**Note 5. Investments**

The Foundation's investments as of December 31 are summarized below:

	2017	2016
Mutual Funds	\$ 147,153	\$ 134,449
Pooled Investment Accounts	24,237	22,475
<b>Total</b>	<b>\$ 171,390</b>	<b>\$ 156,924</b>

Investment return for the years ended December 31, is summarized as follows:

	2017	2016
Dividends and Interest	\$ 6,775	\$ 6,386
Realized Gain (Loss)	2,812	(2,941)
Unrealized Gain	9,582	21,546
Investment Fees	(382)	(324)
<b>Total</b>	<b>\$ 18,787</b>	<b>\$ 24,667</b>

**Note 6. Assets Measured at Fair Value**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 6. Assets Measured at Fair Value (Continued)**

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Entity has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

*Pooled investments:* The fair value is determined by use of the calculated net asset value per ownership share.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

**Note 6. Assets Measured at Fair Value (Continued)**

Assets measured at fair value on a recurring basis as of December 31 are comprised of and determined as follows:

<b>December 31, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Mutual Funds</b>	<b>\$ 147,153</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147,153</b>
<b>Pooled Investment Accounts (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,237</b>
<b>Total</b>	<b>\$ 147,153</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 171,390</b>

  

<b>December 31, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Mutual Funds</b>	<b>\$ 134,449</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 134,449</b>
<b>Pooled Investment Accounts (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,475</b>
<b>Total</b>	<b>\$ 134,449</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,924</b>

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 statements of financial position.

The Entity's investments at December 31 that feature net asset value per share are as follows:

<b>2017</b>	<b>Number of Funds</b>	<b>Fair Value Calculated Using NAV</b>	<b>Unfunded Commitments</b>	<b>Redemption Terms</b>	<b>Restrictions and Terms in Place at Year End</b>
Greater New Orleans Foundation Investment Pool Fund	1	\$ 11,526	N/A	Request may be made anytime.	N/A
Northshore Community Foundation Investment Pool Fund	1	12,711	N/A	Request may be made anytime.	N/A
		<b>\$ 24,237</b>			

  

<b>2016</b>	<b>Number of Funds</b>	<b>Fair Value Calculated Using NAV</b>	<b>Unfunded Commitments</b>	<b>Redemption Terms</b>	<b>Restrictions and Terms in Place at Year End</b>
Greater New Orleans Foundation Investment Pool Fund	1	\$ 10,941	N/A	Request may be made anytime.	N/A
Northshore Community Foundation Investment Pool Fund	1	11,534	N/A	Request may be made anytime.	N/A
		<b>\$ 22,475</b>			

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 6. Assets Measured at Fair Value (Continued)**

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.

**Note 7. Property and Equipment**

Property and equipment as of December 31 is as follows:

	<b>2017</b>	<b>2016</b>
Land	\$ 6,000	\$ 6,000
Lighthouse Building	1,088,038	1,078,948
Boat and Other Program Equipment	319,867	278,074
Leasehold Improvements	213,207	213,207
Computer Equipment	52,204	52,204
Furniture and Fixtures	8,928	9,040
Construction in Progress	-	9,090
	<u>1,688,244</u>	<u>1,646,563</u>
Less: Accumulated Depreciation	<u>(534,332)</u>	<u>(451,393)</u>
<b>Net Property and Equipment</b>	<u><u>\$ 1,153,912</u></u>	<u><u>1,195,170</u></u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$88,439 and \$85,135, respectively.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 8. Endowment Funds**

The Foundation's endowments consist of donor restricted Greater New Orleans Foundation (GNOF) Endowment Fund and The Save Our Lake Endowment Fund created by the Foundation, collectively known as the Endowment Funds. The Foundation 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. As a result of the interpretation, the Endowment Funds classify as permanently restricted net assets:

- the original value of gifts donated to the permanent endowment,
- the original value of subsequent gifts to the permanent endowment, and
- 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.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are 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 considers 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 Foundation and donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- Other resources of the Foundation
- The investment policies of the Endowment

**GNOF Endowment Fund**

GNOF Endowment Fund is maintained and managed by the GNOF within their 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 Foundation.

For the year ended December 31, 2017 and 2016, revenues/gains of the GNOF Endowment Fund were \$1,500 and \$358, respectively. For the years ended December 31, 2017 and 2016, expenses/losses of the GNOF Endowment Fund were \$915 and \$-0-, respectively.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

**Note 8. Endowment Fund (Continued)**

*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 Foundation 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.

*Strategies Employed for Achieving Objectives.* The investment funds are invested in a savings account as of December 31, 2017 to minimize risk. In 2018, 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 year ended December 31, 2017 and 2016, revenues/gains of the SOL Endowment Fund were \$126 and \$125, respectively.

The composition of endowment net assets for the years ended December 31, 2017 and 2016 are as follows:

<b>2017</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Donor-Restricted Endowment Funds</b>				
SOL Endowment Fund	\$ -	\$ 30,940	\$ 94,710	\$ 125,650
GNOF Endowment Fund	-	9,026	2,500	11,526
<b>Total Donor-Restricted Endowment Funds</b>	<b>\$ -</b>	<b>\$ 39,966</b>	<b>\$ 97,210</b>	<b>\$ 137,176</b>
<b>2016</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-Restricted Endowment Funds				
SOL Endowment Fund	\$ -	\$ 30,814	\$ 94,710	\$ 125,524
GNOF Endowment Fund	-	8,441	2,500	10,941
<b>Total Donor-Restricted Endowment Funds</b>	<b>\$ -</b>	<b>\$ 39,255</b>	<b>\$ 97,210</b>	<b>\$ 136,465</b>

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

**Note 8. Endowment Fund (Continued)**

A summary of changes in the Foundation's endowment net assets for the year end December 31, 2017, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, January 1, 2017	\$ -	\$ 39,255	\$ 97,210	\$ 136,465
Contributions	-	-	-	-
Changes in Market Value of Assets Held by Others	-	1,626	-	1,626
Amount Appropriated for Expenditure	-	(915)	-	(915)
Net Assets, December 31, 2017	\$ -	\$ 39,966	\$ 97,210	\$ 137,176

A summary of changes in the Foundation's endowment net assets for the year end December 31, 2016, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, January 1, 2016	\$ -	\$ 38,772	\$ 97,210	\$ 135,982
Contributions	-	-	-	-
Changes in Market Value of Assets Held by Others	-	483	-	483
Amount Appropriated for Expenditure	-	-	-	-
Net Assets, December 31, 2016	\$ -	\$ 39,255	\$ 97,210	\$ 136,465

*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 Foundation 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, 2017 and 2016.

**Note 9. Temporarily and Permanent Restricted Net Assets**

Temporarily restricted net assets consist of grant funding received in advance, net of the related expenditures associated with the grant, endowment funds restricted for appropriation, Lighthouse contributions, and other contributions. These restrictions are considered to expire when payments for restricted purposes are made.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 9. Temporarily and Permanent Restricted Net Assets (Continued)**

Temporarily restricted net assets as of December 31 are as follows:

	2017	2016
Coastal Sustainability	\$ 759,753	\$ 834,018
Outreach Education	51,009	43,322
Water Quality	48,581	11,105
New Canal Lighthouse Museum	47,910	66,100
Endowment Funds Restricted for Appropriation	39,966	39,255
Public Access	12,891	12,890
Habitat	2,307	2,307
<b>Total</b>	<b>\$ 962,417</b>	<b>\$ 1,008,997</b>

Permanently restricted net assets as of December 31 are as follows:

	2017	2016
SOL Endowment Fund	\$ 94,710	\$ 94,710
GNOF Endowment Fund	2,500	2,500
<b>Total</b>	<b>\$ 97,210</b>	<b>\$ 97,210</b>

**Note 10. Retirement Plan**

The Foundation 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 Foundation may make matching contributions on behalf of participants of up to 5% of employee contributions. The Foundation's contributions to the plan totaled \$12,092 and \$17,615 for the years ended December 31, 2017 and 2016, respectively.

**Note 11. Operating Leases**

The Foundation leases office space from the University of New Orleans Research and Technology Foundation, Inc. The lease term commenced on June 1, 2013 and expired on May 31, 2016. The lease was extended for an additional three year period to May 31, 2019 with monthly lease payments of \$4,612.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 11. Operating Leases (Continued)**

In February 2012, the Foundation 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 rent for the initial five year term is \$500, and was paid in February 2012. 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 Foundation 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 rent for the three year terms is \$300. The rent for the initial year was \$300, and was paid in June 2015. The lease was renewed during 2016 through June 2019 for an additional \$300.

In December 2013, the Foundation entered into an agreement to lease office equipment. The lease term expires in November 2018 and has monthly payments of \$143.

Future minimum lease payments due are as follows:

<b>Years Ending December 31,</b>	<b>Amount</b>
2018	\$ 57,797
2019	23,937
2020	575
2021	575
2022	575
<b>Total</b>	<b>\$ 83,459</b>

Rent expense for the years ended December 31, 2017 and 2016 totaled \$56,293 and \$55,211, respectively.

**Note 12. Note Payable**

The Foundation 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, 2017 and 2016 was \$15,294 and \$18,270, respectively.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 12. Note Payable (Continued)**

The future payments on the note payable as of December 31, 2017 are summarized as follows:

<b>Years Ending December 31,</b>	<b>Amount</b>
2018	\$ 3,108
2019	3,234
2020	3,365
2021	3,502
2022	2,085
<b>Total</b>	<b>\$ 15,294</b>

**Note 13. In-Kind Donations**

The Foundation 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, is as follows:

	<b>2017</b>	<b>2016</b>
Donated Services	\$ 141,422	\$ 204,042
Donated Goods	115,811	98,081
Use of Land	8,438	8,438
Donated Land and Equipment	-	14,900
<b>Total</b>	<b>\$ 265,671</b>	<b>\$ 325,461</b>

**Note 14. Risks 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.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.**

**Notes to Consolidated Financial Statements**

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**Note 15. Subsequent Events**

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 13, 2018, and determined that the following event required disclosure.

On March 14, 2018, the Foundation entered into a line of credit agreement with a financial institution to provide working capital. The line of credit matures on March 13, 2019 and provides for borrowings up to \$250,000 with a variable interest rate at the lender's prime rate.

Other than the event previously described, there were no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

**SUPPLEMENTARY INFORMATION**

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidating Statement of Financial Position  
For the Year Ended December 31, 2017**

**Schedule I**

	Lake Pontchartrain			
	Basin Foundation	Save Our Lake Endowment	Eliminations	Consolidated
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 112,463	\$ 125,650	\$ -	\$ 238,113
Cash Restricted for Programs Expenditures	906,751	-	-	906,751
Investments	171,390	-	-	171,390
Grants Receivable	288,126	-	-	288,126
Inventory	12,838	-	-	12,838
Prepaid Expenses	829	-	-	829
Other Receivables	13,308	-	-	13,308
Other Current Assets	4,048	-	-	4,048
<b>Total Current Assets</b>	<b>1,509,753</b>	<b>125,650</b>	<b>-</b>	<b>1,635,403</b>
<b>Property and Equipment, Net</b>	<b>1,153,912</b>	<b>-</b>	<b>-</b>	<b>1,153,912</b>
<b>Controlling Interest in Save Our Lake Endowment</b>	<b>125,650</b>	<b>-</b>	<b>(125,650)</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 2,789,315</b>	<b>\$ 125,650</b>	<b>\$ (125,650)</b>	<b>\$ 2,789,315</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 76,652	\$ -	\$ -	\$ 76,652
Accrued Liabilities	103,251	-	-	103,251
Current Portion of Note Payable	3,108	-	-	3,108
<b>Total Current Liabilities</b>	<b>183,011</b>	<b>-</b>	<b>-</b>	<b>183,011</b>
<b>Note Payable, Less Current Portion</b>	<b>12,186</b>	<b>-</b>	<b>-</b>	<b>12,186</b>
<b>Total Liabilities</b>	<b>195,197</b>	<b>-</b>	<b>-</b>	<b>195,197</b>
<b>Net Assets</b>				
Unrestricted	1,534,491	-	-	1,534,491
Temporarily Restricted	962,417	30,940	(30,940)	962,417
Permanently Restricted	97,210	94,710	(94,710)	97,210
<b>Total Net Assets</b>	<b>2,594,118</b>	<b>125,650</b>	<b>(125,650)</b>	<b>2,594,118</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,789,315</b>	<b>\$ 125,650</b>	<b>\$ (125,650)</b>	<b>\$ 2,789,315</b>

See independent auditor's report.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidating Statement of Financial Position  
For the Year Ended December 31, 2016**

**Schedule I**

	Lake Pontchartrain Basin		Save Our Lake Endowment	Eliminations	Consolidated
	Foundation				
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 149,678	\$ 125,524	\$ -	\$ -	\$ 275,202
Cash Restricted for Programs Expenditures	990,139	-	-	-	990,139
Investments	156,924	-	-	-	156,924
Grants Receivable	180,034	-	-	-	180,034
Pledges Receivable	18,689	-	-	-	18,689
Inventory	11,234	-	-	-	11,234
Prepaid Expenses	1,292	-	-	-	1,292
Other Receivables	306,868	-	-	-	306,868
Other Current Asset	4,048	-	-	-	4,048
<b>Total Current Assets</b>	<b>1,818,906</b>	<b>125,524</b>	<b>-</b>	<b>-</b>	<b>1,944,430</b>
<b>Property and Equipment, Net</b>	<b>1,195,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,195,170</b>
<b>Controlling Interest in Save Our Lake Endowment</b>	<b>125,524</b>	<b>-</b>	<b>(125,524)</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 3,139,600</b>	<b>\$ 125,524</b>	<b>\$ (125,524)</b>	<b>\$ -</b>	<b>\$ 3,139,600</b>
<b>Current Liabilities</b>					
Accounts Payable	\$ 85,381	\$ -	\$ -	\$ -	\$ 85,381
Accrued Liabilities	74,860	-	-	-	74,860
Current Portion of Note Payable	2,986	-	-	-	2,986
<b>Total Current Liabilities</b>	<b>163,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,227</b>
<b>Note Payable, Less Current Portion</b>	<b>15,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,284</b>
<b>Total Liabilities</b>	<b>178,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,511</b>
<b>Net Assets</b>					
Unrestricted	1,854,882	-	-	-	1,854,882
Temporarily Restricted	1,008,997	30,814	(30,814)	-	1,008,997
Permanently Restricted	97,210	94,710	(94,710)	-	97,210
<b>Total Net Assets</b>	<b>2,961,089</b>	<b>125,524</b>	<b>(125,524)</b>	<b>-</b>	<b>2,961,089</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,139,600</b>	<b>\$ 125,524</b>	<b>\$ (125,524)</b>	<b>\$ -</b>	<b>\$ 3,139,600</b>

See independent auditor's report.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidating Statement of Activities  
For the Year Ended December 31, 2017**

**Schedule II**

	Lake Pontchartrain Basin Foundation	Save Our Lake Endowment	Eliminations	Consolidated
<b>Unrestricted Revenues, Gains, Losses, and Other Support</b>				
Contracts - Federal	\$ 9,579	\$ -	\$ -	\$ 9,579
Contracts - Local Government	793	-	-	793
Grants - Federal	716,502	-	-	716,502
Grants - Non-Federal	64,468	-	-	64,468
Contributions	50,672	-	-	50,672
Fundraising				
Events	89,494	-	-	89,494
Membership Dues	30,020	-	-	30,020
Lighthouse				
Museum Admissions, Net	35,170	-	-	35,170
Donations	2,268	-	-	2,268
Facility Rental	10,495	-	-	10,495
Museum Shop (Net of Direct Merchandise Expense of \$8,012)	42,217	-	-	42,217
Other Income				
Investment Income	12,475	-	-	12,475
Miscellaneous Income	11,192	-	-	11,192
<b>Total Unrestricted Revenues, Gains, Losses, and Other Support Before Donated Goods and Services</b>	<b>1,075,345</b>	<b>-</b>	<b>-</b>	<b>1,075,345</b>
<b>Net Assets Released from Restrictions</b>				
Satisfaction of Purpose Restrictions	1,046,216	-	-	1,046,216
<b>Donated Goods and Services</b>				
Donated Goods	124,249	-	-	124,249
Donated Services	141,422	-	-	141,422
<b>Total Donated Goods and Services</b>	<b>265,671</b>	<b>-</b>	<b>-</b>	<b>265,671</b>
<b>Total Unrestricted Revenues, Gains, Losses, and Other Support</b>	<b>2,387,232</b>	<b>-</b>	<b>-</b>	<b>2,387,232</b>

See independent auditor's report.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidating Statement of Activities (Continued)  
For the Year Ended December 31, 2017**

**Schedule II**

	Lake Pontchartrain Basin Foundation	Save Our Lake Endowment	Eliminations	Consolidated
<b>Expenses</b>				
Program Expenses				
Community Outreach	634,318	-	-	634,318
Scientific Programs	1,389,643	-	-	1,389,643
Supporting Services				
Fundraising	300,296	-	-	300,296
Management and General	383,366	-	-	383,366
<b>Total Expenses</b>	<b>2,707,623</b>	<b>-</b>	<b>-</b>	<b>2,707,623</b>
<b>Change in Unrestricted Net Assets</b>	<b>(320,391)</b>	<b>-</b>	<b>-</b>	<b>(320,391)</b>
<b>Temporarily Restricted Support and Revenues</b>				
Contracts - Federal	65,251	-	-	65,251
Contracts - Local Government	67,374	-	-	67,374
Grants - Non-Federal	730,028	-	-	730,028
Settlement	50,000	-	-	50,000
Contributions	80,671	-	-	80,671
Investment Income	6,312	126	(126)	6,312
<b>Total Support and Revenues</b>	<b>999,636</b>	<b>126</b>	<b>(126)</b>	<b>999,636</b>
<b>Net Assets Released from Restriction</b>	<b>(1,046,216)</b>	<b>-</b>	<b>-</b>	<b>(1,046,216)</b>
<b>Change in Temporarily Restricted Net Assets</b>	<b>(46,580)</b>	<b>126</b>	<b>-</b>	<b>(46,580)</b>
<b>Change in Net Assets</b>	<b>(366,971)</b>	<b>126</b>	<b>-</b>	<b>(366,971)</b>
<b>Net Assets, Beginning of Year</b>	<b>2,961,089</b>	<b>125,524</b>	<b>(125,524)</b>	<b>2,961,089</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,594,118</b>	<b>\$ 125,650</b>	<b>\$ (125,524)</b>	<b>\$ 2,594,118</b>

See independent auditor's report.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidating Statement of Activities  
For the Year Ended December 31, 2016**

**Schedule II**

	Lake Pontchartrain Basin Foundation	Save Our Lake Endowment	Eliminations	Consolidated
<b>Unrestricted Revenues, Gains, Losses, and Other Support</b>				
Contracts - Federal	\$ 2,564	\$ -	\$ -	\$ 2,564
Contracts - Local Government	44,119	-	-	44,119
Grants - Federal	792,194	-	-	792,194
Grants - Non-Federal	333,284	-	-	333,284
Settlement	300,000	-	-	300,000
Contributions	230,096	-	-	230,096
Fundraising				
Events	53,279	-	-	53,279
Membership Dues	25,503	-	-	25,503
Lighthouse				
Museum Admissions, Net	35,342	-	-	35,342
Donations	2,184	-	-	2,184
Facility Rental	12,040	-	-	12,040
Museum Shop (Net of Direct Merchandise Expense of \$9,092)	8,196	-	-	8,196
Other Income				
Investment Income	21,842	-	-	21,842
Miscellaneous Income	10,699	-	-	10,699
<b>Total Unrestricted Revenues, Gains, Losses, and Other Support Before Donated Goods and Services</b>	<b>1,871,342</b>	<b>-</b>	<b>-</b>	<b>1,871,342</b>
<b>Net Assets Released from Restrictions</b>				
Satisfaction of Purpose Restrictions	501,159	-	-	501,159
<b>Donated Goods and Services</b>				
Donated Goods	98,081	-	-	98,081
Donated Services	227,380	-	-	227,380
<b>Total Donated Goods and Services</b>	<b>325,461</b>	<b>-</b>	<b>-</b>	<b>325,461</b>
<b>Total Unrestricted Revenues, Gains, Losses, and Other Support</b>	<b>2,697,962</b>	<b>-</b>	<b>-</b>	<b>2,697,962</b>

See independent auditor's report.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Consolidating Statement of Activities (Continued)  
For the Year Ended December 31, 2016**

**Schedule II**

	Lake Pontchartrain Basin Foundation	Save Our Lake Endowment	Eliminations	Consolidated
<b>Expenses</b>				
Program Expenses				
Community Outreach	795,501	-	-	795,501
Scientific Programs	1,224,176	-	-	1,224,176
Supporting Services				
Fundraising	186,356	-	-	186,356
Management and General	369,981	-	-	369,981
<b>Total Expenses</b>	<b>2,576,014</b>	<b>-</b>	<b>-</b>	<b>2,576,014</b>
<b>Change in Unrestricted Net Assets</b>	<b>121,948</b>	<b>-</b>	<b>-</b>	<b>121,948</b>
<b>Temporarily Restricted Support and Revenues</b>				
Contracts - Federal	1,234	-	-	1,234
Contracts - Local Government	14,999	-	-	14,999
Grants - Non-Federal	649,861	-	-	649,861
Contributions	128,451	-	-	128,451
Investment Income	2,825	125	(125)	2,825
<b>Total Support and Revenues</b>	<b>797,370</b>	<b>125</b>	<b>(125)</b>	<b>797,370</b>
<b>Net Assets Released from Restriction</b>	<b>(501,159)</b>	<b>-</b>	<b>-</b>	<b>(501,159)</b>
<b>Change in Temporarily Restricted Net Assets</b>	<b>296,211</b>	<b>125</b>	<b>(125)</b>	<b>296,211</b>
<b>Change in Net Assets</b>	<b>418,159</b>	<b>125</b>	<b>(125)</b>	<b>418,159</b>
<b>Net Assets, Beginning of Year</b>	<b>2,542,930</b>	<b>125,399</b>	<b>(125,399)</b>	<b>2,542,930</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,961,089</b>	<b>\$ 125,524</b>	<b>\$ (125,524)</b>	<b>\$ 2,961,089</b>

See independent auditor's report.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended December 31, 2017**

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Agency Head**

Kristi Trail, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$29,143
Benefits - Insurance	\$1,748
Benefits - Retirement	\$105
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Directors  
Lake Pontchartrain Basin Foundation and Save Our Lake Endowment  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lake Pontchartrain Basin Foundation and Save Our Lake Endowment, collectively, the Entity, which comprise the consolidated statement of financial position as of December 31, 2017, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 13, 2018.

**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) to determine the 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 controls 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA  
June 13, 2018

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Schedule of Findings and Responses  
For the Year Ended December 31, 2017**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:                          | Unmodified    |
| 2. Internal control over financial reporting:                |               |
| a. Material weaknesses identified?                           | None          |
| b. Significant deficiencies identified?                      | None Reported |
| c. Noncompliance material to the financial statements noted? | None          |

Federal Awards - Not applicable

**Part II – Financial Statement Findings**

None noted.

**LAKE PONTCHARTRAIN BASIN FOUNDATION  
AND SAVE OUR LAKE ENDOWMENT, INC.  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2017**

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None noted.