

# GULF COAST RESTORATION AND PROTECTION FOUNDATION

Baton Rouge, Louisiana

## FINANCIAL REPORT

December 31, 2010 and 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/11

# **GULF COAST RESTORATION AND PROTECTION FOUNDATION**

Baton Rouge, Louisiana

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Gulf Coast Restoration and Protection Foundation  
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of the **GULF COAST RESTORATION AND PROTECTION FOUNDATION**, (Foundation) (a non-profit organization) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **GULF COAST RESTORATION AND PROTECTION FOUNDATION** as of December 31, 2010 and 2009, and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2011, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Faulk &amp; Winkler, LLC".

Certified Public Accountants

Baton Rouge, Louisiana  
March 23, 2011

# GULF COAST RESTORATION AND PROTECTION FOUNDATION

Baton Rouge, Louisiana

## STATEMENTS OF FINANCIAL POSITION

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 90,444,154	\$ 110,056
Prepaid expenses	<u>3,587,291</u>	<u>-</u>
 Total assets	 <u>\$ 94,031,445</u>	 <u>\$ 110,056</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Contracts and accounts payable	\$ <u>760,030</u>	\$ <u>100,000</u>
<b>NET ASSETS</b>		
Unrestricted	103,233	10,056
Temporarily restricted - Rig Worker Assistance Fund	<u>93,168,182</u>	<u>-</u>
 Total net assets	 <u>93,271,415</u>	 <u>10,056</u>
 Total liabilities and net assets	 <u>\$ 94,031,445</u>	 <u>\$ 110,056</u>

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

# GULF COAST RESTORATION AND PROTECTION FOUNDATION

Baton Rouge, Louisiana

## STATEMENTS OF ACTIVITIES

For the years ended December 31, 2010 and 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010</u>	<u>Unrestricted 2009</u>
<b>SUPPORT</b>				
Contributions	\$ 100,000	\$ 100,000,000	\$ 100,100,000	\$ 30,000
Grants	-	1,080,000	1,080,000	-
Investment income	<u>53</u>	<u>63,252</u>	<u>63,305</u>	<u>362</u>
Total support	100,053	101,143,252	101,243,305	30,362
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>7,975,070</u>	<u>(7,975,070)</u>	<u>-</u>	<u>-</u>
Total revenues, support, and reclassifications	<u>8,075,123</u>	<u>93,168,182</u>	<u>101,243,305</u>	<u>30,362</u>
<b>EXPENSES</b>				
Program services:				
Grants for Rig Worker Assistance	5,644,681	-	5,644,681	-
Professional services	1,556,274	-	1,556,274	-
Planning initiatives and other	4,288	-	4,288	285,002
General and administrative	<u>776,703</u>	<u>-</u>	<u>776,703</u>	<u>9,118</u>
Total expenses	<u>7,981,946</u>	<u>-</u>	<u>7,981,946</u>	<u>294,120</u>
Increase (decrease) in net assets	93,177	93,168,182	93,261,359	(263,758)
<b>NET ASSETS</b>				
Beginning of year	<u>10,056</u>	<u>-</u>	<u>10,056</u>	<u>273,814</u>
End of year	<u>\$ 103,233</u>	<u>\$ 93,168,182</u>	<u>\$ 93,271,415</u>	<u>\$ 10,056</u>

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

# GULF COAST RESTORATION AND PROTECTION FOUNDATION

Baton Rouge, Louisiana

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2010 and 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 93,261,359	\$ (263,758)
Adjustments for non-cash items:		
Change in operating assets and liabilities:		
Prepaid assets	(3,587,291)	-
Contracts and accounts payable	660,030	(100,000)
Net increase (decrease) in cash	90,334,098	(363,758)
<b>CASH</b>		
Beginning of year	110,056	473,814
End of year	\$ 90,444,154	\$ 110,056

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

**GULF COAST RESTORATION AND PROTECTION FOUNDATION**  
Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and operations**

The Gulf Coast Restoration and Protection Foundation (Foundation) is a not-for-profit organization formerly known as the LRA Support Foundation (LRASF). LRASF was formed to provide external resources and support to the Louisiana Recovery Authority, a public body whose mission was to support Louisiana's recovery from Hurricanes Katrina and Rita. During 2010, LRASF changed its name to the Gulf Coast Restoration and Protection Foundation, whose mission is to provide temporary relief to victims of disasters, both natural and man-made, along the Gulf Coast who suffer financial or economic hardship as a result of such disasters. The Foundation's revenue consists primarily of voluntary contributions from individuals and organizations.

BP Exploration and Production, Inc. contributed \$100 million to the Foundation to create the Rig Worker Assistance Fund. The money is designated to fund financial assistance to certain workers who are experiencing economic hardship following the moratorium imposed by the United States federal government on deepwater oil drilling due to the oil spill that occurred in the Gulf of Mexico in April 2010.

**Basis of accounting**

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

**Basis of presentation**

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Foundation does not have permanently restricted net assets.

The statement of activities presents revenues by source and expenses functionally between program services and general and administrative.

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

**Estimates**

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

**Cash and cash equivalents**

For purposes of the statements of cash flows, the Foundation considers cash in bank accounts and money market funds to be cash equivalents.

**Fair value of financial instruments**

The carrying value of cash, prepaid expenses and payables approximate fair value due to the short-term maturity of these instruments.

**Restricted net assets**

During 2010, changes in temporarily restricted net assets were as follows:

	12/31/09	Increases	Decreases	12/31/10
Economic development	\$ -	\$ 1,080,000	\$(1,080,000)	\$ -
Rig Worker Assistance Fund	-	100,063,252	(6,895,070)	93,168,182
Total	\$ -	\$ 101,143,252	\$(7,975,070)	\$ 93,168,182

When the related purpose restriction is satisfied, these temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to the appropriate classification.



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

**Income tax status**

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements have no provision for federal and state income tax. The Foundation files a Form 990 tax return in the U.S. federal jurisdiction. The Foundation follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management of the Foundation believes it has no material uncertain tax positions and has not recognized any liability for unrecognized tax benefits.

**Advertising**

The Foundation expenses advertising costs as incurred.

**NOTE 2 - RELATED PARTIES**

The Foundation utilizes facilities and personnel of the Baton Rouge Area Foundation (BRAAF) for administrative assistance. These services aggregate \$1.9 million, paid in monthly installments of \$190,000, beginning in September 2010, which is recorded in the financial statements as a component of general and administrative expenses.

**NOTE 3 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments which subject the Foundation to concentrations of credit risk consist primarily of cash in money market funds. The Foundation typically maintains cash and cash equivalents in local banks that may, at times, exceed the FDIC limits. Management believes the risk is limited.

**NOTE 4 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 23, 2011, the date the financial statements were available to be issued.



**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  
Gulf Coast Restoration and Protection Foundation  
Baton Rouge, Louisiana

We have audited the financial statements of the **GULF COAST RESTORATION AND PROTECTION FOUNDATION**, (Foundation) as of and for the year ended December 31, 2010, and have issued our report thereon dated March 23, 2011. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

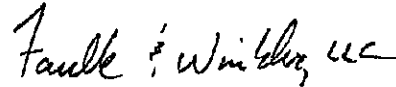
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant contracts, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Foundation, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Certified Public Accountants

Baton Rouge, Louisiana  
March 23, 2011

# GULF COAST RESTORATION AND PROTECTION FOUNDATION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2010

### 1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unqualified opinion.**
- B) Significant deficiencies in internal control disclosed by the audit of financial statements: **None.**  
Material weaknesses: **None.**
- C) Noncompliance that is material to the financial statements: **None.**
- D) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**