

**ALGIERS ECONOMIC
DEVELOPMENT FOUNDATION,
INC.**

FINANCIAL STATEMENTS

For The Year Ended June 30, 2020

Sean M. Bruno
Certified Public Accountants, LLC

Algiers Economic Development Foundation, Inc.

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June 30, 2020

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Sean M. Bruno
Certified Public Accountants, LLC

Member
American Institute of
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Society of Louisiana
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Algiers Economic Development Foundation, Inc.
New Orleans, LA

Management is responsible for the accompanying financial statements of **Algiers Economic Development Foundation, Inc.** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying supplementary schedule of compensation, benefits and other payments made to agency head on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.



Sean M. Bruno Certified Public Accountants
New Orleans, Louisiana

December 27, 2020

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

ASSETS

ASSETS:

Cash and cash equivalents (NOTE 1)	\$ 45,114
Grants receivable (NOTE 1)	8,217
Other assets (NOTE 1)	1,013
Property, plant and equipment, net accumulated depreciation \$9,418 (NOTE 1)	<u>-</u>
TOTAL ASSETS	<u>\$ 54,344</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Payroll liabilities	\$ 2,819
Loan	<u>26,467</u>
TOTAL LIABILITIES	<u>29,286</u>

NET ASSETS:

Without donor restrictions (NOTE 1)	25,058
With donor restrictions (NOTE 1)	<u>-</u>
TOTAL NET ASSETS	<u>25,058</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 54,344</u></u>

See accompanying notes and accountants' report

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support:			
Grants	\$ -	\$ 87,126	\$ 87,126
Program Income	39,417	-	39,417
Donations	13,204	-	13,204
Membership dues	1,774	-	1,774
Net asset released from purpose and time restrictions	90,074	(90,074)	-
Total revenues and support	<u>144,469</u>	<u>(2,948)</u>	<u>141,521</u>
Expenses:			
Program services:			
Economic growth encouragement	113,827	-	113,827
Support services:			
Management and general	50,501	-	50,501
Total expenses	<u>164,328</u>	<u>-</u>	<u>164,328</u>
Changes in net assets	(19,859)	(2,948)	(22,807)
Net assets - beginning of year	<u>44,917</u>	<u>2,948</u>	<u>47,865</u>
Net assets - end of year	<u>\$ 25,058</u>	<u>\$ -</u>	<u>\$ 25,058</u>

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Advertising	\$ 3,394	\$ -	\$ 3,394
Contract services		7,787	7,787
Dues and subscriptions		235	235
Insurance		8,087	8,087
Travel and meetings		143	143
Office expenses		6,819	6,819
Personnel expenses	94,973	23,743	118,716
Program expenses	15,460	-	15,460
Rent	-	3,687	3,687
Total expenses	<u><u>\$ 113,827</u></u>	<u><u>\$ 50,501</u></u>	<u><u>\$ 164,328</u></u>

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities

Change in net assets	\$ (22,807)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in accounts receivables	2,960
Decrease in grants receivable	31,727
Decrease in accounts payable and other liabilities	<u>(784)</u>
Net cash provided by operating activities	<u>11,096</u>

Cash Flows From Financing Activities

Loan proceeds	<u>26,467</u>
Net cash provided by financing activities	<u>26,467</u>
Net increase in cash and cash equivalents	37,563
Cash and cash equivalents - July 1, 2019	<u>7,551</u>
Cash and cash equivalents - June 30, 2020	<u>\$ 45,114</u>

See accompanying notes and accountants' report.

Algiers Economic Development Foundation, Inc.
Notes to Financial Statements
June 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Algiers Economic Development Foundation, Inc. (AEDF), a nonprofit organization, was organized to foster economic growth of the Algiers community. Through leadership, innovation and collaboration, the **AEDF** engages the Algiers business community, civic and community partners, elected officials, and regional partners in proactive business initiatives that foster Algiers' growing business environment and establish a sustainable community to create opportunities for Algiers' residents and neighborhoods to thrive and grow.

Basis of Accounting

AEDF prepared its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

For the year ended June 30, 2020, (**AEDF**) followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 31, 2017 and requires the use of the retrospective transition method. (**AEDF**) adopted this standard for the year ended June 30, 2020 and its implementation is reflected in the financial statements.

A description of the two net asset categories is as follows:

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Algiers Economic Development Foundation, Inc.
Notes to Financial Statements
June 30, 2020
(Continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

At June 30, 2020, **AEDF** has no net assets with donor restrictions.

Use of Estimates

The preparation of the **AEDF's** financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and disclosure of contingent assets and liabilities. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments with original maturities of three months or less.

Grants Receivable

AEDF signed a cooperative endeavor agreement with the City of New Orleans to reimburse **AEDF** for expenses related to events held to promote economic growth in the Algiers community. Accounts receivable as of June 30, 2020 consisted of amounts due from the City of New Orleans for this cooperative endeavor agreement. Management believes all amounts are collectible; therefore, no allowance for doubtful accounts is recorded.

Algiers Economic Development Foundation, Inc.
Notes to Financial Statements
June 30, 2020
(Continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Fixed assets are stated at cost, with the exception of donated items, which are stated at fair market value at the date of donation. It is AEDF's policy to capitalize expenditures for items in excess of \$1,000 with a useful life of at least 3 years. Lesser amounts and expenses that do not extend the assets useful life are expensed as incurred. AEDF uses the straight-line depreciation method over the useful lives of its property. Office furniture is depreciated over 7 years. There was no depreciation expense for the year ended June 30, 2020 as all fixed assets were fully depreciated as of year-end June 30, 2015.

Other Assets

Other assets consisted of the rent damage deposit for the AEDF office space.

Revenue and Deferred Revenue

Sponsorships and ticket sales (program income) for special events are recognized as revenue when the event is held. Grant revenue relates to the cooperative endeavor agreement with the City of New Orleans and is recognized as expenses are incurred.

Income Tax Status

Under the provisions of the Internal Revenue Code Section 501(c)(3), and the applicable income tax regulations of Louisiana AEDF is exempt from taxes on income other than unrelated business income. For the year ended June 30, 2020, AEDF had no unrelated business income. Management believes there are no uncertainties included in the accompanying financial statements.

Concentration of Risk

AEDF maintained its cash balance in a financial institution whose balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020, AEDF's cash balance was secured from credit risk.

NOTE 2 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 27, 2020, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Supplementary Information

Algiers Economic Development Foundation, Inc.
Schedule of Compensation, Benefits and Other Payments Made To Agency Head
For the Year Ended June 30, 2020

Agency Head Name: Kelsey Foster / Derrick Martin, Executive Director

PURPOSE	AMOUNT
Salary	\$ 73,625
Benefits-health insurance	6,000
Benefits-retirement	
Deferred compensation	
Workers comp	
Benefits-life insurance	
Benefits-long term disability	
Benefits-FICA and Medicare	
Car allowance	
Vehicle provided by government	
Cell phone	
Dues	
Vehicle rental	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Unvouchered expenses	
Meetings and conventions	
Other	
Total	\$ 79,625

See accompanying notes and accountants' report.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010**

INTERNAL CONTROL OVER FINANCIAL REPORTING

Audit Finding Reference Number

2020-01 - Untimely submission of audit report

Criteria

Pursuant to the requirement of Louisiana Statute R.S. 24:513, annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year.

Conditions and Perspective

The June 30, 2020 Compilation report was not submitted within the prescribed time frame.

Cause

The partner over the engagement was ill and subsequently diagnosed with Covid-19 on December 31, 2020.

Effect

AEDF has not complied with reporting requirements of the State of Louisiana.

Recommendation

No recommendation as the situation was not under the control of **AEDF**.

Management's Response

The report will be submitted timely in future years.