

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**

FINANCIAL STATEMENTS

For The Year Ended June 30, 2022

***Sean M. Bruno***  
***Certified Public Accountants, LLC***

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# **Algiers Economic Development Foundation, Inc.**

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**June 30, 2022**

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*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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**Accountant's Compilation Report**

To the Board of Directors  
**The Algiers Economic Development Foundation, Inc.**  
New Orleans, Louisiana

Management is responsible for the accompanying financial statements of **the Algiers Economic Development Foundation, Inc. (AEDF)**, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the AEDF's basic financial statements as listed in the table of contents, 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 American Institute of Certified Public Accountants. 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Supplementary Information*

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.



**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS, LLC**

December 26, 2022

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2022**

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**ASSETS**

**ASSETS:**

Cash and cash equivalents (NOTE 1)	\$ 130,297
Grants receivable (NOTE 1)	55,503
Other assets (NOTE 1)	1,613
Property, plant and equipment, net accumulated depreciation \$9,418 (NOTE 1)	<u>-</u>
TOTAL ASSETS	<u>\$ 187,413</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Payroll liabilities	\$ 3,542
TOTAL LIABILITIES	<u>3,542</u>

**NET ASSETS:**

Without donor restrictions (NOTE 1)	71,852
With donor restrictions (NOTE 1)	<u>112,019</u>
TOTAL NET ASSETS	<u>183,871</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 187,413</u>

See accompanying notes and accountants' report

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Revenues and Support:	Without Donor Restrictions	With Donor Restrictions	Total
Grants	\$ 34,320	\$ 175,000	\$ 209,320
Program Income	44,468	-	44,468
Donations	12,966	-	12,966
Membership dues	5,196	-	5,196
Sponsorships	23,500	-	23,500
Net asset released from purpose and time restrictions	165,754	(165,754)	-
Total revenues and support	<u>286,204</u>	<u>9,246</u>	<u>295,450</u>
Expenses:			
Program services:			
Economic growth encouragement	165,754	-	165,754
Support services:			
Management and general	89,000	-	89,000
Total expenses	<u>254,754</u>	<u>-</u>	<u>254,754</u>
Changes in net assets	31,450	9,246	40,696
Net assets - beginning of year	<u>40,402</u>	<u>102,773</u>	<u>143,175</u>
Net assets - end of year	<u>\$ 71,852</u>	<u>\$ 112,019</u>	<u>\$ 183,871</u>

See accompanying notes and accountants' report.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Contract services	\$ 35,000	\$ 18,845	\$ 53,845
Cost of goods sold	-	2,152	2,152
Other	-	1,048	1,048
Insurance	-	4,056	4,056
Travel and meetings	-	480	480
Office expenses	-	10,616	10,616
Personnel expenses	90,190	38,653	128,843
Stipends	12,000	-	12,000
Program expenses	25,564	-	25,564
Repairs and maintenance	-	3,642	3,642
Scholarships	3,000	1,000	4,000
Storage	-	1,308	1,308
Rent	-	7,200	7,200
	<u>\$ 165,754</u>	<u>\$ 89,000</u>	<u>\$ 254,754</u>
Total expenses	<u>\$ 165,754</u>	<u>\$ 89,000</u>	<u>\$ 254,754</u>

See accompanying notes and accountants' report.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Cash Flows From Operating Activities**

Change in net assets	\$ 40,696
Increase in grants receivable	(9,468)
Increase in accounts payables	(468)
Increase in payroll liabilities	(3,808)
Increase in sales tax payables	<u>(218)</u>
Net cash provided by operating activities	<u>26,734</u>

**Cash Flows From Financing Activities**

Payments made on loan	<u>(23,765)</u>
Net cash used in financing activities	<u>(23,765)</u>
Net increase in cash and cash equivalents	2,969
Cash and cash equivalents - July 1, 2021	<u>127,328</u>
Cash and cash equivalents - June 30, 2022	<u><u>\$ 130,297</u></u>

See accompanying notes and accountants' report.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1- 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.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Principles 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, 2022, (**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, 2022 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 THE FINANCIAL STATEMENTS, CONTINUED**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation, 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, 2021, **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, 2022 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.

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, 2022 as all fixed assets were fully depreciated as of year-end June 30, 2015.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

Fair Value

**AEDF** adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **AEDF** to maximize the use of observable marked input, minimize the use of unobservable marked inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

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, 2022, **AEDF**'s cash balance was secured from credit risk.

**NOTE 3- 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, 2022, **AEDF** had no unrelated business income. Management believes there are no uncertainties included in the accompanying financial statements.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**NOTE 4 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:**

In accordance with FASB ASC Topic 820 fair value is defined as the price that **AEDF** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **AEDF's** assets or liabilities. The inputs are summarized in the three broad levels listed below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **AEDF's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

The following table summarizes the valuation of **AEDF's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of June 30, 2022 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 130,297	\$ 130,297
Grant receivables	\$ 55,503	\$ 55,503
Other assets	\$ 1,613	\$ 1,613

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**NOTE 5 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of cash and cash equivalents totaling \$130,297. Management has a goal to maintain sufficient financial resources on hand to meet operating needs.

**NOTE 6 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 26, 2022, 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, 2022**

**Agency Head Name:** Kelsey Foster, Executive Director

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<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 65,000
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	
<b>Total</b>	<b>\$ 71,000</b>

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.  
SCHEDULE OF FINDINGS  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022

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**None Noted**

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.**  
**STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Finding Reference Number**

2021-01 - Untimely submission of 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, 2021 Compilation report was not submitted within the prescribed time frame.

**Status**

Resolved