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## METROVISION PARTNERSHIP FOUNDATION

Financial Statements for the Years Ended  
December 31, 1995 and 1994 and  
Independent Auditors' Report

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 8-21-96



## INDEPENDENT AUDITORS' REPORT

### MetroVision Partnership Foundation:

We have audited the accompanying statements of financial position of MetroVision Partnership Foundation (the Foundation) as of December 31, 1995 and 1994 and the related statements of unrestricted revenues and expenses and other changes in unrestricted net assets, changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *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 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, such financial statements present fairly, in all material respects, the financial position of the Foundation at December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 1996 on our consideration of the Foundation's internal control structure and a report dated May 15, 1996 on its compliance with laws and regulations.

As disclosed in Note 1 to the financial statements, the Foundation applied newly established financial reporting standards for not-for-profit organizations.

*Deloitte & Touche LLP*

May 15, 1996

# METROVISION PARTNERSHIP FOUNDATION

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 1995 AND 1994

ASSETS	1995	1994
Cash and cash equivalents	\$ 545,535	\$ 419,193
Contributions receivable	41,988	328,048
Prepaid expenses	<u>2,213</u>	<u>16,664</u>
Total current assets	<u>589,736</u>	<u>763,905</u>
PROPERTY AND EQUIPMENT:		
Furniture and office equipment	116,960	30,653
Less accumulated depreciation	<u>(21,965)</u>	<u>(12,006)</u>
Net property and equipment	<u>94,995</u>	<u>18,647</u>
TOTAL ASSETS	<u>\$ 684,731</u>	<u>\$ 782,552</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 120,305	\$ 171,092
Funds held for others	57,100	-
Current portion of long-term debt	-	4,091
Due to Chamber of Commerce	<u>-</u>	<u>6,542</u>
Total liabilities	<u>177,405</u>	<u>181,725</u>
CONTINGENCY	-	-
NET ASSETS:		
Unrestricted	27,326	23,327
Temporarily restricted (Note 3)	<u>480,000</u>	<u>577,500</u>
Total net assets	<u>507,326</u>	<u>600,827</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 684,731</u>	<u>\$ 782,552</u>

See notes to financial statements.

# METROVISION PARTNERSHIP FOUNDATION

## STATEMENTS OF UNRESTRICTED REVENUES, EXPENSES AND OTHER CHANGES IN UNRESTRICTED NET ASSETS YEARS ENDED DECEMBER 31, 1995 AND 1994

	1995	1994
<b>UNRESTRICTED REVENUES:</b>		
Contributions and grants	\$1,604,433	\$1,650,659
Interest	32,113	19,749
Other	<u>384,695</u>	<u>358,593</u>
Total unrestricted revenues	2,021,241	2,029,001
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>		
Expiration of time restrictions	<u>277,500</u>	<u>161,000</u>
Total unrestricted revenues, gains and other support	<u>2,298,741</u>	<u>2,190,001</u>
<b>UNRESTRICTED EXPENSES:</b>		
Payroll and fringe benefits	781,396	599,239
Allocated payroll	171,209	225,996
Allocated overhead	94,967	111,492
Postage and telephone	96,150	71,751
Stationery and supplies	13,755	7,585
Travel, meals, and meetings	242,114	240,780
Consultants, communication, and publications	720,616	655,790
General insurance	12,661	4,175
Sponsorships and contributions	61,223	74,142
Equipment	21,478	51,154
Rent	69,147	-
Fund raising	-	97,523
Interest	67	361
Depreciation	9,959	1,706
Miscellaneous	<u>-</u>	<u>9,509</u>
Total unrestricted expenses	<u>2,294,742</u>	<u>2,151,203</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	3,999	38,798
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<u>23,327</u>	<u>(15,471)</u>
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<u>\$ 27,326</u>	<u>\$ 23,327</u>

See notes to financial statements.

# METROVISION PARTNERSHIP FOUNDATION

## STATEMENTS OF CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 1995 AND 1994

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	1995	1994
<b>UNRESTRICTED NET ASSETS:</b>		
Total unrestricted revenues	\$ 2,021,241	\$ 2,029,001
Net assets released from restrictions	277,500	161,000
Total unrestricted expenses	<u>(2,294,742)</u>	<u>(2,151,203)</u>
Increase in unrestricted net assets	<u>3,999</u>	<u>38,798</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
Contributions	180,000	177,500
Net assets released from restrictions	<u>(277,500)</u>	<u>(161,000)</u>
(Decrease) increase in temporarily restricted net assets	<u>(97,500)</u>	<u>16,500</u>
<b>(DECREASE) INCREASE IN NET ASSETS</b>	<b>(93,501)</b>	<b>55,298</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>600,827</u>	<u>545,529</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 507,326</u>	<u>\$ 600,827</u>

See notes to financial statements.

# METROVISION PARTNERSHIP FOUNDATION

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 1995 AND 1994

	1995	1994
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (93,501)	\$ 55,298
Adjustments to reconcile the change in net assets provided by (used in) operating activities:		
Depreciation	9,959	1,706
Changes in operating assets and liabilities:		
Contributions receivable	286,060	(261,445)
Prepaid expenses	14,451	(13,527)
Accounts payable	(50,787)	141,555
Due to Chamber of Commerce	(6,542)	(9,243)
Funds held for others	57,100	-
Net cash provided by (used in) operating activities	<u>216,740</u>	<u>(85,656)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	<u>(86,307)</u>	<u>(18,454)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on long-term debt	<u>(4,091)</u>	<u>(6,245)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	126,342	(110,355)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>419,193</u>	<u>529,548</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 545,535</u>	<u>\$ 419,193</u>

See notes to financial statements.

# METROVISION PARTNERSHIP FOUNDATION

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 1995 AND 1994

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** - The MetroVision Partnership Foundation ("The Foundation") is a Louisiana nonprofit corporation organized on a non-stock basis. The Foundation was created in order to provide a permanent structure through which the implementation of the economic development plan developed by its predecessor organization, the MetroVision Partnership, could be accomplished. The plan is intended to restructure the Metropolitan New Orleans area economy to provide an adequate base of employment opportunities into the 21st century.

**Basis of Accounting** - The Foundation maintains its accounting records and prepares its financial statements on the accrual basis.

During 1995 the Foundation adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" and No. 117, "Financial Statements of Not-for-Profit Organizations" and applied the Standards on a retroactive basis. SFAS No. 116 establishes accounting standards for contributions and applies to all entities that receive or make contributions. SFAS No. 117 establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- **Unrestricted** - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- **Temporarily Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.
- **Permanently Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

**Property and Equipment** - Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 10 years.

**Revenues** - Revenues are provided primarily by contributions and grants. Contributions received, including unconditional promises to give, are recognized as revenues in the period received. Grant revenues are recognized in accordance with the terms of the grant.

**Contributions Receivable** - The Foundation considers contributions receivable to be fully collectible. Accordingly, no allowance for uncollectible contributions is required. If amounts become uncollectible, they will be written off when that determination is made. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of unrestricted revenues, expenses, and other changes in unrestricted net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

**Use of 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 disclosure 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.

**Income Taxes** - The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Statement of Cash Flows** - For the purpose of the statement of cash flows, the Foundation considers all short-term, highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Funds Held for Others** - Funds held for others represents amounts collected on behalf of others in which the Foundation is acting as an intermediary organization or agent.

**Fair Value of Financial Instruments** - The carrying value of the Foundation's financial instruments including cash, accounts payable and debt, approximates fair market value due to their short term nature. Due to the nature of the related party receivables and payables, it is not practicable to estimate their fair value.

**Reclassifications** - Certain reclassifications have been made to the 1994 financial statements in order to conform with the classifications used in 1995.

## 2. LONG-TERM DEBT

Long-term debt consisted of a note payable to a bank, bearing interest at 4.75%, payable in monthly installments of \$598 including interest. The note matured in 1995.



**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods:

	1995	1994
For periods after December 31, 1995 and 1994	<u>\$ 480,000</u>	<u>\$ 577,500</u>
	<u>\$ 480,000</u>	<u>\$ 577,500</u>

**4. RELATED PARTIES**

Certain officers of the Foundation are also officers of the Chamber/New Orleans and the River Region (the Chamber).

In the ordinary course of operations, the Chamber has made available to the Foundation on a reimbursement basis specific assistance in the form of administrative support and use of facilities. A portion of the salaries and related fringe benefits of those individuals providing such support is allocated to the Foundation. Additionally, the Foundation pays a monthly fee to the Chamber for use of office space and overhead. All such allocated amounts are included in the Statements of Unrestricted Revenues, Expenses and Other Changes in Unrestricted Net Assets as "Allocated Payroll," "Allocated Overhead" and "Rent" and totaled \$335,323 and \$337,488 for the years ending December 31, 1995 and 1994, respectively.

The Foundation reimburses the Chamber for its portion of certain payments to vendors for operating and administrative expenditures incurred specifically on behalf of the Foundation.

**5. CONTINGENCY**

A lawsuit is pending against the Foundation. The Foundation's management, after reviewing this suit with outside counsel, considers that the aggregate liability, if any, will not be material to the financial statements.

Included in accounts payable at December 31, 1995 and 1994 are unconditional promises to give of \$100,000 and \$50,000, respectively.

**6. RETROACTIVE EFFECT OF NEW ACCOUNTING PRONOUNCEMENTS**

As disclosed in Note 1, the Foundation adopted the provisions of SFAS No. 116 and No. 117 beginning in 1995 and applied the Standards retroactively for fiscal year 1994. The impact on unrestricted net assets is as follows:

Fiscal year 1994 reported total fund balance	\$ 73,327
Restate fund balances to record liability for:	
Promises to give	<u>(50,000)</u>
Fiscal year 1994 unrestricted net assets	<u>\$ 23,327</u>

**7. FUNCTIONAL EXPENSES**

Expenses incurred were for the following purposes:

	<b>1995</b>	<b>1994</b>
Program services	\$1,906,815	\$1,750,806
General and administrative	377,969	301,168
Fund raising	-	97,523
Depreciation	<u>9,958</u>	<u>1,706</u>
	<u>\$2,294,742</u>	<u>\$2,151,203</u>

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**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE  
BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**MetroVision Partnership Foundation:**

We have audited the financial statements of MetroVision Partnership Foundation (the Foundation) as of and for the year ended December 31, 1995, and have issued our report thereon dated May 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 financial statements are free of material misstatement.

The management of the Foundation is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Foundation for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the

financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Directors, and the Audit Committee of the Foundation and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

May 15, 1996



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**MetroVision Partnership Foundation:**

We have audited the financial statements of the MetroVision Partnership Foundation (the Foundation) as of December 31, 1995 and for the year then ended, and have issued our report thereon dated May 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Foundation is the responsibility of the Foundation. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Foundation's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management, the Board of Directors, and the Audit Committee of the Foundation and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

May 15, 1996