

MARKETUMBRELLA.ORG
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
marketumbrella.org

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of marketumbrella.org (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of marketumbrella.org as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of marketumbrella.org and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about marketumbrella.org's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors and Management of
marketumbrella.org
September 28, 2022

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 marketumbrella.org's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about marketumbrella.org's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors and Management of
marketumbrella.org
September 28, 2022

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule “1” is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the 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 September 16, 2022, on our consideration of marketumbrella.org’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 marketumbrella.org’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 marketumbrella.org’s internal control over financial reporting and compliance.

September 28, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

MARKETUMBRELLA.ORG
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 911,236	\$ 983,857
Accounts receivable	152,192	59,324
Grants receivable	200,000	200,000
Inventory	1,581	3,970
Prepaid insurance	9,101	4,252
Total current assets	1,274,110	1,251,403
<u>PROPERTY AND EQUIPMENT</u>		
Computer software	17,794	8,894
Equipment	16,868	15,892
Furniture	18,215	15,128
Tenant improvements	18,864	18,864
Trademarks	2,475	2,475
Total property and equipment	74,216	61,253
Less: accumulated depreciation	(52,749)	(49,220)
Net property and equipment	21,467	12,033
Total assets	\$ 1,295,577	\$ 1,263,436
LIABILITIES AND NET ASSETS		
<u>LIABILITIES:</u>		
Accounts payable	\$ 46,522	\$ 20,178
Accrued expenses	36,948	32,261
Tokens payable	46,260	7,557
Total liabilities	129,730	59,996
<u>NET ASSETS:</u>		
Without donor restrictions	1,012,977	1,111,420
With donor restrictions	152,870	92,020
Total net assets	1,165,847	1,203,440
Total liabilities and net assets	\$ 1,295,577	\$ 1,263,436

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND OTHER REVENUES:</u>			
Grant income	\$ 316,604	\$ 351,030	\$ 667,634
Farmers' market management fee income	38,609	-	38,609
Donated services and use of facilities	168,891	-	168,891
Direct public support donations	225,346	-	225,346
Vendor rental income	104,596	-	104,596
Fundraising events	-	-	-
Other income	7,371	-	7,371
(Loss) on disposal of assets	-	-	-
Merchandise and liquid sales, less cost of sales of \$2,712	1,792	-	1,792
Net assets released from restrictions	<u>290,180</u>	<u>(290,180)</u>	<u>-</u>
 Total support and other revenues	 <u>1,153,389</u>	 <u>60,850</u>	 <u>1,214,239</u>
<u>EXPENSES:</u>			
Program activities	841,439	-	841,439
Supporting activities:			
Management and general	399,865	-	399,865
Fundraising	<u>10,528</u>	<u>-</u>	<u>10,528</u>
 Total expenses	 <u>1,251,832</u>	 <u>-</u>	 <u>1,251,832</u>
 Change in net assets	 (98,443)	 60,850	 (37,593)
 Net assets, beginning of year	 <u>1,111,420</u>	 <u>92,020</u>	 <u>1,203,440</u>
 Net assets, end of year	 <u>\$ 1,012,977</u>	 <u>\$ 152,870</u>	 <u>\$ 1,165,847</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>			
Grant income	\$ 499,342	\$ 343,536	\$ 842,878
Farmers' market management fee income	330,574	-	330,574
Donated services and use of facilities	98,915	-	98,915
Direct public support donations	86,222	-	86,222
Vendor rental income	73,228	-	73,228
Fundraising events, less related costs of \$26,695	6,266	-	6,266
Other income	5,951	-	5,951
(Loss) on disposal of assets	(295)	-	(295)
Merchandise and liquid sales, less cost of sales of \$589	2,796	-	2,796
Net assets released from restrictions	<u>270,796</u>	<u>(270,796)</u>	<u>-</u>
 Total support and other revenues	 <u>1,373,795</u>	 <u>72,740</u>	 <u>1,446,535</u>
<u>EXPENSES:</u>			
Program activities	663,072	-	663,072
Supporting activities:			
Management and general	94,439	-	94,439
Fundraising	<u>196,591</u>	<u>-</u>	<u>196,591</u>
 Total expenses	 <u>954,102</u>	 <u>-</u>	 <u>954,102</u>
 Change in net assets	 419,693	 72,740	 492,433
 Net assets, beginning of year	 <u>691,727</u>	 <u>19,280</u>	 <u>711,007</u>
 Net assets, end of year	 <u>\$ 1,111,420</u>	 <u>\$ 92,020</u>	 <u>\$ 1,203,440</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Activities	Supporting Activities		Total
		Management and General	Fundraising	
Salaries and wages	\$ 225,421	\$ 224,776	\$ -	\$ 450,197
Payroll taxes and employee benefits	<u>63,765</u>	<u>21,465</u>	<u>-</u>	<u>85,230</u>
Total salaries and related expenses	289,186	246,241	-	535,427
Direct grant costs	206,506	5,350	-	211,856
Contributions	11,500	-	-	11,500
Consultants and professional fees	65,364	72,709	-	138,073
Occupancy	146,935	21,956	-	168,891
Insurance	4,137	16,959	-	21,096
Advertising and promotion	60,033	6,351	-	66,384
Travel expenses	422	4,351	-	4,773
Printing	9,847	1,358	1,284	12,489
Bank charges	6,771	1,576	-	8,347
Telecommunication	8,198	1,820	-	10,018
Market supplies and merchandise	23,123	548	-	23,671
Facilities and equipment	3,275	1,124	-	4,399
Office expenses	4,121	12,262	9,244	25,627
Depreciation and amortization	-	3,528	-	3,528
Meetings and workshops	298	364	-	662
Miscellaneous	1,505	2,272	-	3,777
Postage	<u>218</u>	<u>1,096</u>	<u>-</u>	<u>1,314</u>
Total functional expenses	<u>\$ 841,439</u>	<u>\$ 399,865</u>	<u>\$ 10,528</u>	<u>\$ 1,251,832</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Activities	Supporting Activities		Total
		Management and General	Fundraising	
Salaries and wages	\$ 183,914	\$ 14,954	\$ 136,879	\$ 335,747
Payroll taxes and employee benefits	<u>41,143</u>	<u>3,345</u>	<u>30,621</u>	<u>75,109</u>
Total salaries and related expenses	225,057	18,299	167,500	410,856
Direct grant costs	87,922	1,319	-	89,241
Contributions	-	-	-	-
Consultants and professional fees	56,840	44,001	5,481	106,322
Occupancy	86,056	12,859	-	98,915
Insurance	12,987	9,448	2,660	25,095
Advertising and promotion	28,337	-	-	28,337
Travel expenses	2,696	1,304	17	4,017
Printing	3,898	176	718	4,792
Bank charges	5,590	151	189	5,930
Telecommunication	4,858	473	1,851	7,182
Market supplies and merchandise	119,009	-	16,504	135,513
Facilities and equipment	3,836	125	963	4,924
Office expenses	-	301	-	301
Depreciation and amortization	-	4,109	-	4,109
Meetings and workshops	203	328	531	1,062
Miscellaneous	25,436	1,216	-	26,652
Postage	<u>347</u>	<u>330</u>	<u>177</u>	<u>854</u>
Total functional expenses	<u>\$ 663,072</u>	<u>\$ 94,439</u>	<u>\$ 196,591</u>	<u>\$ 954,102</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MARKETUMBRELLA.ORG
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (37,593)	\$ 492,433
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	3,528	4,109
Loss on disposal of assets	-	295
Bad debt	12,129	-
(Increase) decrease in:		
Accounts receivable	(104,997)	797
Grants receivable	-	(181,136)
Inventory	2,389	(413)
Prepaid expenses	(4,849)	12,812
Increase (decrease) in:		
Accounts payable	26,344	13,526
Accrued expenses	4,687	371
Tokens payable	<u>38,703</u>	<u>(37,735)</u>
Net cash from (used for) operating activities	<u>(59,659)</u>	<u>305,059</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Cash paid for purchase of fixed assets	<u>(12,962)</u>	<u>-</u>
Net cash (used for) investing activities	<u>(12,962)</u>	<u>-</u>
Net increase (decrease) in cash	(72,621)	305,059
Cash and cash equivalents, beginning of year	<u>983,857</u>	<u>678,798</u>
Cash and cash equivalents, end of year	<u>\$ 911,236</u>	<u>\$ 983,857</u>

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS**

Nature of Activities

marketumbrella.org (“MUO”) is an independent nonprofit, based in New Orleans, Louisiana whose mission is to cultivate the field of public markets for public good. MUO cultivates community markets that utilize local resources to bolster authentic local traditions. MUO has operated the Crescent City Farmers Market (“CCFM”) since 1995, an open-air farmers’ market in downtown New Orleans to achieve a triple bottom line: economic benefit for farmers, health benefits for consumers, and a vibrant public space for the community. MUO has expanded the weekly CCFM to five locations, three of which operate year-round. MUO provides technical assistance to other organizations in the field of public markets, providing tools for other markets to measure their impacts and best practices in market operations. MUO earns revenue primarily through individual donations, fees from operating farmers’ markets, and conducting healthy local food education supported by restricted grants.

In addition to the CCFM, MUO’s other major programs are as follows:

WIC/CVV Pilot Program – is a pilot program for accepting Women, Infant, and Children (WIC) Cash Value Vouchers (CVV) at the farmers’ market. WIC participants present their WIC booklets at the welcome tent of any five CCFM locations to receive \$48 in vouchers to spend on fruits and vegetables for up to six months.

Farm to School – MUO is the core partner for Louisiana in the National Farm to School Network. The program works to bring together a community of practice by connecting farm to school practitioners – be they school for providers, school garden instructors, school nutrition authorities, farmers, educators, or anyone in any way involved with farm to school.

Education and Advocacy – MUO conducts grassroots education and advocacy to improve opportunities for people to access healthy food in their communities.

Market Mommas Club – is a breastfeeding incentive program for WIC participants who are currently breastfeeding. Moms are partnered with a breastfeeding peer group for the opportunity to receive a Latch Loyalty Card. This card can be redeemed at any five CCFM locations where they receive support to continue breastfeeding. With the card, participants receive an incentive of \$80 per month to spend at the CCFM who helps them to increase their fruit and vegetable intake.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Nature of Activities (continued)

Meet Me at the Market – MUO conducts programs to bring fresh fruits and vegetables to children in schools in Orleans Parish through this program. Children receive a pre-market visit with market staff in their classrooms as an introduction to Louisiana produce and seasonality. Students then visit the CCFM where they speak with farmers about what they grow and how to prepare it. After a tasting at the market, students leave with a small bag of produce to share with their families at home.

Market Match – MUO offers incentives to vulnerable consumers to purchase the best local produce available at the markets and ReFresh Farmers Market.

Beginning Farmer Training – The goal of this program is to provide extensive program education and training targeting beginning farmers or those that have ten years or less of farming experience.

Method of Accounting and Financial Reporting Framework

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under the provisions of the Codification, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of MUO and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of MUO. MUO's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of MUO or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

MUO's management considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash and short-term investments held in a bank money market account are reported as investments instead of cash.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for farmers' market management fees. MUO determines the allowance for uncollectible accounts receivable based on historical experience and a review of subsequent collections. Balances that are determined to be uncollectible are written off. All accounts receivable balances are considered to be fully collectible by management. Accordingly, no provision for doubtful accounts is considered necessary as of December 31, 2021 and 2020.

Grants Receivable

MUO receives funding from various agencies for administering various grants. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met. Management closely monitors outstanding receivable balances and estimates an allowance for uncollectible receivables based on prior experience. All grants receivable balances are considered to be fully collectible by management. Accordingly, no provision for doubtful accounts is considered necessary as of December 31, 2021 and 2020.

Inventory

Inventory is stated at the lower of cost or net realizable value or, if applicable, fair value at the date of donation. Inventory consists of market-branded merchandise and promotional cookbooks.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Property and Equipment

Property and equipment are recorded at cost or, if applicable, at the estimated fair value at the date of donation. Certain costs incurred in connection with internally developed software are capitalized and amortized over the life of the asset. Depreciation and amortization is provided on the straight-line method over the estimated useful lives as follows:

Computer software	3 years
Equipment	5 years
Furniture	5 years
Tenant improvements	15 years
Trademark	10 years

Additions and betterments of \$500 or more are capitalized, while maintenance and repairs that do not extend the useful lives of the respective assets are expensed in the current year.

MUO reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended December 31, 2021 and 2020.

Tokens Payable

MUO facilitates sales for vendors at the CCFM by accepting credit card payments from customers in exchange for tokens. These tokens are used by customers for purchases. Vendors then use these tokens to pay booth rent to MUO or to redeem them for cash. As of December 31, 2021 and 2020, \$46,260 and \$7,557, respectively, represents the estimated fair value of unredeemed tokens.

Revenue Recognition

Management Fees

MUO recognizes revenue from farmers' market management fees over the length of the contract. Revenue recognized is determined by the contract terms or is based on reimbursable costs incurred related to the contract. All of these contracts are with not-for-profits and government agencies located in Louisiana.

Vendor Rent

Vendor rent is recognized as revenue when the services are provided at a point in time.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Revenue Recognition (continued)

Merchandise and Liquid Sales

Merchandise and liquid sales (i.e. beverages sold at the CCFM) are recognized as revenue when the products are transferred and the services are provided at a point in time.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In-Kind Donations

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received in accordance with Accounting Standards Codification (ASC) 958-605, "*Not-for-profit Entities – Revenue Recognition.*"

The members of the Board of Directors serve without compensation. Volunteers also assist in running the CCFM throughout the year. These services are not recorded as they do not meet the criteria for recognition under ASC 958-605.

Advertising Costs

MUO expenses advertising cost as incurred. Advertising expense charged to operations for the years ended December 31, 2021 and 2020 was \$66,384 and \$28,337, respectively.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (CONTINUED)**

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of MUO.

Income Taxes

MUO is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the MUO's tax-exempt purpose is subject to taxation as unrelated business income.

MUO's evaluation as of December 31, 2021 revealed no tax positions that would have a material impact on the financial statements. The 2019 through 2021 tax years remain subject to examination by the IRS. MUO does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Date of Management Review

Management has evaluated subsequent events through September 28, 2022, which is the date the financial statements were available to be issued.

(2) **STATEMENT OF CASH FLOW SUPPLEMENTARY DISCLOSURES**

Non-cash Investing Activities:

There were no non-cash investing activities during the year ended December 31, 2021.

During the year ended December 31, 2020, MUO disposed of \$26,246 in property and equipment with accumulated depreciation of \$25,950 for no cash proceeds. The disposals resulted in a loss on disposal of assets of \$295 that is included in the statements of activities.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects MUO's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	2021	2020
Financial assets, at year end	\$ 1,263,428	\$ 1,243,181
Less those unavailable for general expenditure within one year due to:		
Donor imposed restrictions	(152,870)	(92,020)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,110,558	\$ 1,151,161

(4) CONCENTRATION OF CREDIT RISK

MUO maintains its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021 and 2020, there were \$676,925 and \$682,374 of uninsured portions of bank balances.

For each of the years ended December 31, 2021 and 2020, one grantor represented 100% of grants receivable. For the years ended December 31, 2021 and 2020, two grantor represented 37% and one grantor represented 40% of total revenues, respectively.

(5) RESTRICTIONS ON NET ASSETS

As of December 31, 2021 and 2020, net assets with donor restrictions consisted of the following:

	2021	2020
WIC/CVV Pilot Program	\$ 20,919	\$ -
Farm to School	2,085	21,883
Crescent City Farmers Market	3,046	17,880
Beginning Farmers Training Program	2,286	-
Education and Advocacy	109,976	-
Market Match	9,120	47,979
Market Mommas Club	2,404	-
Meet Me at the Market	3,034	4,278
	\$ 152,870	\$ 92,020

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(5) RESTRICTIONS ON NET ASSETS (CONTINUED)

As of December 31, 2021 and 2020, net assets released from restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
WIC/CVV Pilot Program	\$ 81	\$ -
Farm to School	28,690	228,295
Crescent City Farmers Market	14,834	30,559
Beginning Farmers Training Program	-	-
Education and Advocacy	24	-
Market Match	240,211	11,720
Market Mommas Club	96	-
Meet Me at the Market	<u>6,244</u>	<u>222</u>
	<u>\$ 290,180</u>	<u>\$ 270,796</u>

(6) ENDOWMENT CONTRIBUTIONS

MUO has received an unconditional, unrestricted, multiple-year pledge in perpetuity of only the income from various bequests to the Greater New Orleans Foundation. The fair value of this income cannot be reasonably estimated as it is under the control of the Greater New Orleans Foundation, which is an unrelated non-for-profit organization. As such, revenue from this pledge is not included in the financial statements until received. Money is distributed to MUO at the discretion of the Greater New Orleans Foundation. During the years ended December 31, 2021 and 2020, \$37,172 and \$35,946, were received from the endowments, respectively.

(7) IN-KIND DONATIONS

MUO received a contribution of leasehold rights for 1,400 square feet of office space on a month-to-month basis during 2021 and 2020. MUO has accordingly recognized donated use of facility revenue and related occupancy expense of \$24,195 for each of the years ended December 31, 2021 and 2020 in the statements of activities.

MUO uses various parking lots in the City of New Orleans for their CCFM. For the years ended December 31, 2021 and 2020, MUO recognized donated use of a facility and related occupancy expense of \$144,696 and \$74,720, respectively, in the statements of activities.

(8) PAYCHECK PROTECTION PROGRAM LOAN PROCEEDS

MUO was granted a \$68,000 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. MUO initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. MUO has recognized \$68,000 as grant revenue for the year ended December 31, 2020.

MARKETUMBRELLA.ORG
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(9) EMPLOYEE BENEFIT PLAN

MUO has a defined contribution salary deferral plan covering substantially all employees. Under the plan, MUO determines annually whether it will make a matching contribution. In 2021 and 2020, MUO made matching contributions of 4 percent of all qualifying contributing participants' elective deferrals. The 401(k)-matching contribution expense for the years ended December 31, 2021 and 2020 was \$9,680 and \$9,125, respectively.

(10) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, "*Leases*." This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02, the FASB has issued Update No. 2019-10, "*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*." Update No. 2019-10 permits entities to apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, and to interim reporting periods within annual reporting periods beginning after December 15, 2021. The FASB further delayed the implementation date by one year through ASU 2020-05 "*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*." Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. MUO plans to adopt this Update as applicable by the effective date.

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2020-07, "*Not-for-Profit Entities (Topic 958)*." This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. This Update will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. MUO plans to adopt this Update as applicable by the effective date.

(11) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on total net assets.

MARKETUMBRELLA.ORG
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Cordelia Heaney</u>
Time served	2/1/21 through 12/31/21
Salary	\$ 21,143
Benefits - insurance (health and dental)	<u>1,287</u>
Total compensation, benefits, and other payments	<u><u>\$ 22,430</u></u>



**INDEPENDENT AUDITORS' 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 of Directors and Management of
marketumbrella.org

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 marketumbrella.org (a non-profit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered marketumbrella.org's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of marketumbrella.org's internal control. Accordingly, we do not express an opinion on the effectiveness of the marketumbrella.org'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 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 control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors and Management of
marketumbrella.org

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether marketumbrella.org's 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 financial statements. 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 marketumbrella.org's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering marketumbrella.org's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

September 28, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

MARKETUMBRELLA.ORG
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of marketumbrella.org.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditor's 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*.
4. A management letter was not issued for the year ended December 31, 2021.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

NOT APPLICABLE

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

NOT APPLICABLE

MARKETUMBRELLA.ORG
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

NOT APPLICABLE

II. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

NOT APPLICABLE

III. MANAGEMENT LETTER

2020-001 Long-Outstanding Checks and Deposits

Condition: We recommend that checks and other uncleared reconciling items that are over one year old be investigated and removed from the bank reconciliation and that the original transaction be reversed. Research should be done periodically to eliminate large numbers of old items being carried from month to month.

Current Status: This management letter item has been resolved.

2020-002 Written Policies and Procedures over Tokens Payable

Condition: We recommend that MUO formalize objectives, responsibilities, and authority over the tokens payable procedures.

Current Status: This management letter item has been resolved.

2020-003 Large Undeposited Funds Balance

Condition: We recommend MUO revise its deposit policies to allow for more frequent deposits to improve cash flow and to reduce the risk of loss. If it is inconvenient for an employee to make more frequent trips to the bank, use of a lockbox system might be considered, whereby customer payments are sent to a post office box and collected by the bank each day.

Current Status: This management letter item has been resolved.

2020-004 Maintenance of Subsidiary Ledgers

Condition: We recommend that a schedule of prepaid expense be maintained in order to accurately track the passage of time in order to expense the prepaid expenses accurately. To ensure the accuracy of recording additions and deletions to the property and equipment schedule and calculating depreciation expense, we recommend that a computerized record of such transactions be maintained throughout the year.

Current Status: This management letter item has been resolved.