

**ORETHA CASTLE HALEY BOULEVARD
MERCHANTS & BUSINESS ASSOCIATION**

**FINANCIAL STATEMENT AND
ACCOUNTANT'S COMPILATION REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2019



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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Oretha Castle Haley Merchants Boulevard & Business Association
New Orleans, LA

Management is responsible for the accompanying financial statements of **Oretha Castle Haley Boulevard Merchants & Business Association (OCHBMBA)**, which comprise of the Statement of Position as of December 31, 2019, and the related statement of Activities and Changes in net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

A handwritten signature in blue ink, appearing to read 'J. S. Hall'.

VGR, CPA LLC
7/08/2020

ORETHA CASTLE HALEY BOULEVARD MERCHANTS & BUSINESS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

ASSETS

Assets:

Current Assets:

Cash and equivalents 1,801

Other Assets 761

Total Current Assets 2,562

Total assets 2,562

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts Payable 4,017

Total liabilities 4,017

Net Assets (NOTE 2):

Without Restriction - (1,455)

With Restriction - -

Total net assets (1,455)

Total liabilities and net assets 2,562

The accompanying notes are an integral part of these financial statements

ORETHA CASTLE HALEY BOULEVARD MERCHANTS AND BUSINESS ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2019

INCOME

Grant Income	\$ 104,568
Total Income	\$ 104,568

EXPENSES

Program Hard Costs	78,912
Professional Fees	21,750
Occupancy	558
Insurance	1,836
Meetings and Conferences	140
Travel and Transportation	2,000
Fees and Subscription	1,927
Phone/Internet	266
Printing and Postage	22
Total General and Administrative Expenses	<u>107,412</u>
TOTAL EXPENSES	107,412
Change in net assets	(2,843)
Net assets, beginning of year	1,388
Net assets, end of year	<u><u>(1,455)</u></u>

The accompanying notes are an integral part of these financial statements

ORETHA CASTLE HALEY BOULEVARD MERCHANTS AND BUSINESS ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash Flows from Operating Activities

Change in net assets	\$ (2,843)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in accounts payable	<u>3,692</u>
Net cash provided by operating activities	<u>849</u>
Net decrease in cash and equivalents	849
Cash - beginning of year	<u>952</u>
Cash - end of year	<u><u>\$ 1,801</u></u>

The accompanying notes are an integral part of these financial statements.

**ORETHA CASTLE HALEY MERCHANTS BOULEVARD &
BUSINESS ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 – ORGANIZATION:

ORETHA CASTLE HALEY BOULEVARD MERCHANTS & BUSINESS ASSOCIATION(**OCHBMBA**) is a non-profit organization formed to assist existing businesses and non-profits within the Central City commercial district area. OCHBMBA recruits resources, partnerships, non-profits, and new businesses to the corridor; preserves history and educates the public; manages capital project; and promotes the neighborhood.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

OCHBMBA is a non-profit community-based organization whose financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The preparation of financials statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues support and expenses during the reporting period. Actual results could differ from these estimates. **OCHBMBA** has also been classified as an entity that is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions as provided by Section 170(b)(1)(A)(vi).

OCHBMBA's Forms 990, *Return of Organization Exempt from Income Tax*, and Forms 990-T, *Exempt Organization Business Income Tax Return*, for the years ending December 31, 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed. OCHBMBA’s exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in the financial statements for federal or state income taxes.

**ORETHA CASTLE HALEY MERCHANTS BOULEVARD &
BUSINESS ASSOCIATION**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:
Basis of Reporting

OCHBMBA has adopted the provisions of FASB Accounting Standards Codification, Topic 958, "Accounting for Not-for-Profit Entities", and reports its financial position and activities according to two classes of net assets according to externally (donor) imposed restrictions. A description of the two net asset categories is 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 the organization. These net assets may be used at the discretion of OCHBMBA's management and the board of directors.

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 OCHBMBA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, OCHBMBA considers all short-term, highly liquid investments with maturity of three months or less at the time of purchase to be cash equivalents.

**ORETHA CASTLE HALEY BOULEVARD MERCHANTS &
BUSINESS ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:
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.

Promises to Give

Contributions are recognized when the donor makes a promise to give to OCHBMBA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Property and equipment is recorded at cost, if purchased or at fair market value at the date of the gift if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Support and Revenues

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the board of directors.

Fair Value

OCHBMBA has adopted certain provisions of FASB Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures." ASC Topic 820 refines the definition of fair value, establishes specific requirements as well as guidelines for a consistent framework to measure fair

**ORETHA CASTLE HALEY MERCHANTS BOULEVARD &
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NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:
value, and expands disclosure requirements about fair value measurements. ASC Topic 820 requires **OCHBMBA** to maximize the use of observable market inputs, minimize the use of unobservable market inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurement.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements - Adopted

On August 18, 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities(Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. **OCHBMBA** has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. The preparation of financial statements in conformity with generally accepted

In June 2018 the FASB issued ASU No. 2018-08 Not-for-Profit Entities (Topic 958), “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is

**ORETHA CASTLE HALEY BUSINESS MERCHANTS &
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NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:
New Accounting Pronouncements – Adopted, Continued:

conditional. This ASU will be effective for **OCHBMBA** for annual periods beginning after December 15, 2018. **OCHBMBA** is currently assessing the impact of the pronouncement on its financial statements.

The FASB has issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606) to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry specific guidance as well as help financial statement users better understand the

nature, amount, timing and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This ASU will be effective for **OCHBMBA** for annual periods beginning after December 15, 2018. **OCHBMBA** is currently assessing the impact of this pronouncement on the financial statements.

In January 2016, the FASB has issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lease recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, leases and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This ASU will be effective for financial statements issued for annual periods beginning after December 15, 2019. **OCHBMBA** is currently assessing the impact of this pronouncement on its financial statements.

**ORETHA CASTLE HALEY BUSINESS MERCHANTS &
BUSINESS ASSOCIATION**

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - INCOME TAXES:

OCHBMBA is a nonprofit organization as described in Section 501(C)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **OCHBMBA's** tax status be challenged in the future 2017, 2018 and 2019 tax years are open for examination by the IRS.

NOTE 4 - COMMITMENTS AND CONTINGENCIES:

Participation in Grant Programs

OCHBMBA is a recipient of grant funds from various funding sources. The administration of the program and activities funded by the grants are under the control and administration of **OCHBMBA** and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

NOTE 5 - FAIR VALUE MEASUREMENTS OF
FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820, fair value is defined as the price that **OCHBMBA** 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 **OCHBMBA**

**ORETHA CASTLE HALEY BOULEVARD MERCHANTS &
BUSINESS ASSOCIATION**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - FAIR VALUE MEASUREMENTS OF
FINANCIAL ASSETS AND LIABILITIES: CONTINUED

assets or liabilities. The inputs are summarized in the three broad levels listed below:

- Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable 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 investment 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. **OCHBMBA'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 investment. All investments are considered level 1 investments.

The carrying value and the estimated fair values of **OCHBMBA's** financial instruments at DECEMBER 31, 2019 are as follows:

**ORETHA CASTLE BOULEVARD HALEY MERCHANTS &
BUSINESS ASSOCIATION**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - FAIR VALUE MEASUREMENTS OF
FINANCIAL ASSETS AND LIABILITIES: CONTINUED

<u>Description</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 1,801	\$ 1,801
Other Assets	761	761

NOTE 6 - BOARD OF DIRECTORS COMPENSATION:

The board of directors operates on a voluntary basis, as such there were no payments made to any board member during the twelve months ended December 31, 2019 for services.

ORETHA CASTLE HALEY BOULEVARD MERCHANTS AND BUSINESS ASSOCIATION
AGENCY HEAD COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head Name:	Linda Pompa	
<u>Purpose</u>		<u>Amount</u>
Salary		9,003.00
Benefits - insurance		-
Benefits - retirement		-
Benefits - other		-
Car allowance		-
Vehicle provided by organization		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference Travel		-
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-

Act 706 of the 2014 Legislative Session requires the disclosure of the total compensation, reimbursement, benefits, and other payments made to the agency head, political subdivision head or Chief executive officer, related to the position; including but not limited to travel housing, unvouchered expenses (such as travel advances) oer diem, and registration fees.

