

FINANCIAL REPORT
NEW ORLEANS EDUCATION LEAGUE
OF THE CONSTRUCTION INDUSTRY
DECEMBER 31, 2019 AND 2018

NEW ORLEANS EDUCATION LEAGUE
OF THE CONSTRUCTION INDUSTRY

DECEMBER 31, 2019 AND 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

February 26, 2020

To the Board of Directors
New Orleans Education League of the Construction Industry
Metairie, Louisiana

We have reviewed the accompanying financial statements of the New Orleans Education League of the Construction Industry (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

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Accountant's Responsibility

Our responsibility is to conduct the review engagements 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 (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the schedule of compensation, benefits and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, do not express an opinion on such information.

Duplantier Hrapmann Hogan & Maher, LLP

New Orleans, Louisiana

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018
(Unaudited)

<u>ASSETS</u>		
	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash	\$ -	\$ 33,722
Grants receivable	58,216	15,367
Total current assets	<u>58,216</u>	<u>49,089</u>
TOTAL ASSETS	\$ <u>58,216</u>	\$ <u>49,089</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 73,329	\$ 4,325
Due to Home Builders Association	24,678	24,678
Total current liabilities	<u>98,007</u>	<u>29,003</u>
NET ASSETS (DEFICIT):		
Without donor restrictions	(39,791)	20,086
Total net assets	<u>(39,791)</u>	<u>20,086</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>58,216</u>	\$ <u>49,089</u>

See accompanying notes and independent accountant's review report.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Unaudited)

	<u>2019</u>	<u>2018</u>
SUPPORT AND REVENUES:		
Donations	\$ 1,070	\$ 3,922
Grants revenue	325,998	379,649
Total support and revenues	<u>327,068</u>	<u>383,571</u>
EXPENSES:		
Program services	372,341	376,959
General and administrative	14,604	14,233
Total expenses	<u>386,945</u>	<u>391,192</u>
CHANGE IN NET ASSETS	(59,877)	(7,621)
NET ASSETS - BEGINNING OF YEAR	<u>20,086</u>	<u>27,707</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (39,791)</u>	<u>\$ 20,086</u>

See accompanying notes and independent accountant's review report.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Bank fees	\$ -	\$ 15	\$ 15
Contract administration labor	48,753	5,417	54,170
Insurance - liability	3,018	335	3,353
Insurance - workers' compensation	1,035	115	1,150
Kitchen and beverage supplies	283	31	314
Membership dues	241	27	268
Office supplies	-	668	668
Outside contract services	312,164	-	312,164
Professional fees	-	7,235	7,235
Rent	5,400	600	6,000
Telephone	1,431	159	1,590
Travel	16	2	18
	<u>\$ 372,341</u>	<u>\$ 14,604</u>	<u>\$ 386,945</u>

See accompanying notes and independent accountant's review report.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Bank fees	\$ -	\$ -	\$ -
Contract administration labor	46,552	5,172	51,724
Insurance - liability	5,427	603	6,030
Insurance - workers' compensation	1,225	136	1,361
Kitchen and beverage supplies	201	22	223
Membership dues	255	28	283
Office supplies	-	966	966
Outside contract services	316,101	-	316,101
Professional fees	-	6,506	6,506
Rent	5,400	600	6,000
Telephone	1,420	158	1,578
Travel	378	42	420
	<u>\$ 376,959</u>	<u>\$ 14,233</u>	<u>\$ 391,192</u>

See accompanying notes and independent accountant's review report.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
 (Unaudited)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (59,877)	\$ (7,621)
(Increase) decrease in current assets:		
Accounts receivable	(42,849)	(12,951)
Increase (decrease) in current liabilities:		
Accounts payable	<u>69,004</u>	<u>4,080</u>
Net cash used by operating activities	<u>(33,722)</u>	<u>(16,492)</u>
NET DECREASE IN CASH	(33,722)	(16,492)
Cash, beginning of year	<u>33,722</u>	<u>50,214</u>
CASH, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 33,721</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent accountant's review report.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(Unaudited)

NATURE OF OPERATIONS:

The New Orleans Education League of the Construction Industry (N.O.E.L.) was established in 2012, and is a professional organization serving the Gulf South Region in residential building industry education, research, and charitable offerings. N.O.E.L. also provides services to assist lower income elderly and/or disabled homeowners who have received code violations on their homes. N.O.E.L. offers volunteer or paid labor and materials associated with the removal of code violations on owner-occupied units for residents that are deemed eligible. N.O.E.L.'s support comes primarily from local government and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when they are incurred.

Financial Statement Presentation:

N.O.E.L. reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

The statement of activities presents expenses functionally between program services, management and general and fundraising. Those expenses which cannot be specifically identified are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Cash

For the purposes of the statement of cash flows, cash includes petty cash, cash in banks, certificates of deposit with original maturities of three months or less, and money market funds. Cash overdrafts are included in accounts payable at December 31, 2019.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes

N.O.E.L. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a “more than not” threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Center has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740.

The N.O.E.L.’s tax return Form 990 for 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Grants Receivable

Grants receivable are due from governmental agencies. N.O.E.L. has determined that an uncollectible allowance is not required, and the balance is expected to be fully collectible within one year of the year-end. If amounts due become uncollectible, they will be charged to operations when that determination is made. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain type of assets, liabilities, revenues, and expenses. Actual results may differ from estimated amounts.

Support

All contributions are considered available for the Organization’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Grants

State and local governments have awarded grants to support N.O.E.L.'s program activities that are conditioned on incurring certain reimbursable expenses. The cost-reimbursement grant revenue is recognized when N.O.E.L. incurs allowable and reasonably qualifying expenses. Cost-reimbursement grants are recognized as revenues increasing net assets without donor restrictions because the conditions and restrictions are met in the same period.

2. CONCENTRATIONS:

N.O.E.L. maintained its cash at financial institutions that insure balances up to \$250,000 through the Federal Deposit Insurance Corporation. At December 31, 2019 and 2018 there were no bank balances in excess of insured limits.

During 2019 and 2018, approximately 97% of total revenue was obtained from grants from Jefferson Parish.

3. RELATED PARTY TRANSACTIONS:

Certain board members of N.O.E.L. are also board members of the Home Builders Association of Greater New Orleans, Inc. (HBA).

N.O.E.L. entered into a consulting agreement with HBA in 2012. N.O.E.L. agreed to reimburse HBA for all actual reasonable and necessary expenditures directly related N.O.E.L. The amount paid to HBA during 2019 and 2018 was \$44,329 and \$48,083, respectively.

N.O.E.L. also paid rent to HBA for use of office space during 2019 and 2018. Total amount paid was \$6,000 for each year. There was no written agreement for use of the space.

As of December 31, 2019 and 2018, N.O.E.L. owed HBA \$24,678 for expenses related to the creation of the New Orleans Education League of the Construction Industry in 2012.

During 2019, the Home and Garden Show, a related entity, awarded a grant for \$5,000 to N.O.E.L. This grant came from the 2019 Bayou Road Balloon Festival. HBA is the shareholder of the Home and Garden Show.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(Unaudited)

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Company manages its liquidity by operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. As of December 31, 2019, financial assets available for expenses within one year of the statement of financial position date consist of cash in the amount of \$-0- and accounts receivable in the amount of \$58,216. As of December 31, 2018, financial assets available for expenses within one year of the statement of financial position date consist of cash in the amount of \$33,722 and accounts receivable in the amount of \$15,367.

5. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through February 26, 2020 which is the date the financial statements were available to be issued. No subsequent events were noted.

6. NEW ACCOUNTING PRONOUNCEMENTS:

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

N.O.E.L. adopted ASU 2018-18 as of the effective date for annual periods beginning after December 15, 2018. This accounting pronouncement did not have an effect on the beginning net assets as of December 31, 2018.

N.O.E.L. analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customer*, and has concluded that no changes are necessary to conform with the new standard.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS AND
 OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head Name: Roy Olsen

<u>PURPOSE:</u>	<u>AMOUNT</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
TOTAL	<u>\$ -</u>

There were no payments to the agency head using public funds.

AGREED-UPON PROCEDURES REPORT

NEW ORLEANS EDUCATION LEAGUE OF THE
CONSTRUCTION INDUSTRY

DECEMBER 31, 2019



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

February 26, 2020

To the Board of Directors of
New Orleans Education League of the Construction Industry
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by New Orleans Education League of the Construction Industry (the Agency) and the Louisiana Legislative Auditor (the specified parties), on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

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The Agency provided us with the following list of expenditures made for local grant awards received during the fiscal year ended December 31, 2019:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Jefferson Parish Joining Forces	07/01/2017-06/30/2019	N/A	\$67,532
Jefferson Parish Owner Occupied Program	07/01/2017-06/30/2019	N/A	\$173,461
Jefferson Parish Emergency Grant Program	07/01/2017-06/30/2019	N/A	\$38,211
Community Development Block Grant	2/5/2019-9/30/2019	N/A	\$11,146
Jefferson Parish Re-Entry Program	07/01/2017-6/30/2019	N/A	\$24,095
Total Expenditures			\$314,445
Note: agreements state terms shall be extended in which the subrecipient remains in control of the funds.			

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.
 - a) Trace the six disbursements to supporting documentation as to proper amount and payee.
 - b) Determine if the six disbursements were properly coded to the correct fund and general ledger account.
 - c) Determine whether the six disbursements received approval from proper authorities.
 - d) Determine whether the disbursements comply with the grant agreement, relating to:
 - Activities allowed or unallowed
 - Eligibility
 - Reporting

Findings:

No findings were noted.

3. For the programs selected for testing in Item 2 that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Findings:

Not applicable.

Open Meetings

4. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Findings:

Not applicable.

Budget

5. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Findings:

No findings were noted.

Prior Comments and Recommendations

6. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Findings:

No prior comments were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier Hrapmann Hogan & Maher, LLP

New Orleans, Louisiana