

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**

**CHALMETTE, LOUISIANA**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED**

**DECEMBER 31, 2023**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

To the Board of  
St. Bernard Economic Development Foundation  
Chalmette, Louisiana

Management is responsible for the accompanying financial statements of the St. Bernard Economic Development Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

**Other Information**

The schedule of compensation, benefits and other payments to the agency head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

New Orleans, Louisiana  
June 27, 2024

*Erickson Krentel, LLP*  
Certified Public Accountants

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
DECEMBER 31, 2023

**(See Independent Accountants' Compilation Report)**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 133,050
Investments	681,867
Accounts receivable	37,500
Contract assets	<u>6,000</u>
 Total current assets	 <u>858,417</u>

**PROPERTY AND EQUIPMENT:**

Furniture and equipment	26,945
Accumulated depreciation	<u>(25,572)</u>
 Total property and equipment, net	 <u>1,373</u>

**RIGHT-OF-USE ASSET:**

Operating right-of-use asset	166,789
Accumulated amortization	<u>(75,549)</u>
 Total right-of-use asset, net	 <u>91,240</u>

Total assets	<u>\$ 951,030</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Operating lease liability, current portion	\$ 13,677
Accrued liabilities	<u>1,872</u>
 Total current liabilities	 <u>15,549</u>

**NON-CURRENT LIABILITIES:**

Operating lease liability, net of current portion	<u>74,325</u>
 Total non-current liabilities	 <u>74,325</u>
 Total liabilities	 <u>89,874</u>

**NET ASSETS:**

Without donor restrictions	<u>861,156</u>
 Total net assets	 <u>861,156</u>
 Total liabilities and net assets	 <u>\$ 951,030</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED DECEMBER 31, 2023

**(See Independent Accountants' Compilation Report)**

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>REVENUE AND SUPPORT:</u></b>			
St. Bernard Parish grant	\$ 150,000	\$ -	\$ 150,000
Other grants	12,500	-	12,500
Contract revenue	11,000	-	11,000
Contributions and donations	157,739	-	157,739
Other income	36,636	-	36,636
Net assets released from restrictions	-	-	-
Total revenue and support	367,875	-	367,875
<b><u>EXPENSES:</u></b>			
Program services:			
Economic development	291,978	-	291,978
Support services:			
General and administrative	79,974	-	79,974
Total expenses	371,952	-	371,952
Change in net assets	(4,077)	-	(4,077)
Net assets at beginning of year	865,233	-	865,233
Net assets at end of year	\$ 861,156	\$ -	\$ 861,156

See accompanying NOTES TO FINANCIAL STATEMENTS

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**(See Independent Accountants' Compilation Report)**

	<u>Program</u>	<u>Support</u>	
	<u>Economic</u>	<u>General and</u>	
	<u>Development</u>	<u>Administrative</u>	<u>Total</u>
Salaries	\$ 164,792	\$ 54,931	\$ 219,723
Payroll taxes	12,434	4,144	16,578
Disability insurance	986	328	1,314
Business meetings	1,340	-	1,340
Cell phone reimbursement	616	-	616
Contract labor	375	125	500
Depreciation and amortization	392	-	392
Dues and subscriptions	-	5,732	5,732
Health insurance	12,690	4,230	16,920
Insurance	-	633	633
Legal and accounting	3,135	1,045	4,180
Marketing	12,019	-	12,019
Miscellaneous	874	35	909
Office supplies	-	2,596	2,596
Professional development	-	2,900	2,900
Rent	15,000	-	15,000
Startup awards	57,500	-	57,500
Telephone and internet	2,616	872	3,488
Travel	6,558	2,186	8,744
Web design	651	217	868
	<u>291,978</u>	<u>79,974</u>	<u>371,952</u>
Total functional expenses	<u>\$ 291,978</u>	<u>\$ 79,974</u>	<u>\$ 371,952</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**(See Independent Accountants' Compilation Report)**

**CASH FLOWS FROM (USED FOR) OPERATING**

**ACTIVITIES:**

Change in net assets	\$ (4,077)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	392
Amortization of right-of-use assets	19,457
Increase (decrease) in:	
Operating lease liability	(31,537)
Accrued liabilities	<u>1,872</u>
Net cash (used for) operating activities	<u>(13,893)</u>

**CASH FLOWS FROM (USED FOR) INVESTING**

**ACTIVITIES:**

Purchases of investments	<u>(328,732)</u>
Net cash (used for) investing activities	<u>(328,732)</u>
Net decrease in cash and cash equivalents	(342,625)
Cash and cash equivalents at beginning of year	<u>475,675</u>
Cash and cash equivalents at end of year	<u>\$ 133,050</u>

**See accompanying NOTES TO FINANCIAL STATEMENTS**

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**(See Independent Accountants' Compilation Report)**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The St. Bernard Economic Development Foundation (the Foundation) is a not-for-profit corporation whose mission is to enhance economic development and commerce in St. Bernard Parish and the State of Louisiana. The Foundation's primary sources of revenues are governmental grants and contributions. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

**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 (FASB).

**Basis of Presentation**

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, RRDG is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets With Donor Restrictions – The part of net assets of a not-for profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets Without Donor Restrictions – The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

**Estimates**

The preparation of financial statements in accordance 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, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**(See Independent Accountants' Compilation Report)**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Foundation invests in LAMP, which is administered by LAMP, Inc., a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.

Level 2 inputs do not stem directly from quoted prices and include data that is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active.

Level 3 inputs are unobservable and require the entity to develop its own assumptions. No Level 2 or Level 3 inputs were used by the Foundation during the year ended December 31, 2023.

**Contract Assets**

Contract assets consist of unbilled receivables under the Foundation's cooperative endeavor agreement with the St. Bernard Port, Harbor and Terminal District as further discussed in Note 4.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(See Independent Accountants' Compilation Report)**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Foundation provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the collectability of individual accounts. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Property and Equipment and Depreciation**

The Foundation capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Property and equipment is depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

**Revenue Recognition**

Revenues from Exchange Transactions: the Foundation recognize revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "*Revenues from Contracts with Customers*", as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

**Support and Revenue**

Contributions of cash and other assets are reported as without donor restrictions if they are received without donor restrictions or with donor restrictions, if they are received with donor restrictions that limit the use of the donated assets, respectively. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions of donated non-cash assets are recorded at their fair values in the period received.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(See Independent Accountants' Compilation Report)**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The Foundation applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Foundation defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The Foundation has a lease contract that includes extension and termination options. The Foundation applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, the Foundation reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Foundation is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Foundation generally uses the incremental borrowing rate when initially recording operating leases. Information from the lessor regarding the fair value of underlying asset and initial direct costs incurred by the lessor related to the leased assets is not available.

The Foundation determines the incremental borrowing rate of each lease by estimating the credit rating of the Foundation at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, rent, printing, telephone, legal and accounting, insurance, and web design, which are allocated based on estimates of time and effort.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(See Independent Accountants' Compilation Report)**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax Status**

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2021 through 2023 are subject to examination by the IRS, generally for three years after they were filed. The Foundation records interest and penalties related to its tax positions as income tax expense.

**New Accounting Standards - Adopted**

The Foundation has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*." The standard introduces a new model for estimating credit losses on financial instruments.

After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Foundation has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on the Foundation's financial position, results of activities, or cash flows. The Foundation will continue to monitor developments related to the CECL standard and will provide updates as necessary in future financial statement disclosures.

**Date of Management Review**

Management has evaluated subsequent events through June 27, 2024, which is the date the financial statements were available to be issued.

**(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

At December 31, 2023, the Foundation has \$858,417 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents, investments and accounts receivable. The Foundation structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2023

**(See Independent Accountants' Compilation Report)**

**(3) INVESTMENTS**

The fair value of Level 1 investments is determined by reference to quoted prices in active markets for identical assets and is as follows at December 31, 2023:

LAMP	<u>\$681,867</u>
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Interest income totaled \$29,270 for the year ended December 31, 2023.

**(4) COOPERATIVE ENDEAVOR AGREEMENT**

The Foundation has entered into a cooperative endeavor agreement (CEA) with the St. Bernard Port, Harbor and Terminal District (the Port) whereby the parties agree to facilitate and coordinate a program that will provide marketing, promotion, and public relations services. Under the terms of the CEA, the Port will compensate the Foundation \$1,000 monthly. Total revenue under the CEA was \$11,000 for the year ended December 31, 2023 and includes unbilled receivables totaling \$6,000 as of December 31, 2023 reported as contract assets on the statement of financial position. There are no contract liabilities as of December 31, 2023.

As of December 31, 2022, contract receivables was \$6,000 and there were no contract liabilities.

**(5) LEASES**

Information about the Foundation's lease is as follows for the year ended December 31, 2023:

Operating lease cost	<u>\$15,414</u>
Cash paid for amounts in lease liabilities	\$15,000
Operating cash flows from operating leases	15,000
Right-of-use assets obtained in exchange for new operating lease liabilities	166,789
Weighted-average remaining lease term-operating leases	6.21 years
Weighted-average discount rate-operating leases	1.63%

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**(See Independent Accountants' Compilation Report)**

**(5) LEASES (CONTINUED)**

The maturities of lease liabilities as of December 31, 2023 are as follows:

Year ending December 31,	
2024	\$ 15,000
2025	15,000
2026	15,000
2027	15,000
2028	15,000
Thereafter	<u>17,500</u>
	92,500
Less: interest	<u>(4,498)</u>
	<u>\$ 88,002</u>

The Foundation has subleased a portion of its building. Total sublease income totaled \$7,200 for the year ended December 31, 2023.

**(6) CONCENTRATIONS**

The Foundation maintained balances with one financial institution. At times during the year, the amounts may exceed federally insured limits.

For the year ended December 31, 2023, the Foundation received approximately 42% of its total revenues from one donor. A significant reduction in funding from this donor may lead to a reduction in program activities.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2023

**(See Accountants' Compilation Report)**

	<u>Meaghan R. McCormack</u> <u>Chief Executive Officer</u>
Salary	\$ -
FICA and Medicare	-
Mileage reimbursements	-
Program expense reimbursement	<u>-</u>
Total compensation, benefits, and other payments	<u><u>\$ -</u></u>

\*Note: Meaghan R. McCormack did not receive salary or related benefits from public sources.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**SCHEDULE OF FINDINGS**  
**DECEMBER 31, 2023**

Not applicable.



**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**DECEMBER 31, 2023**

Not applicable.