

REPORT

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION

DECEMBER 31, 2018

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

May 10, 2019

Board of Directors
St. Bernard Economic Development Foundation
Chalmette, LA

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, 2018, 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 Matter

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. 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.

Hienz & Macaluso, LLC
Metairie, LA

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Current Assets

Cash and cash equivalents	\$	440,786
Prepaid expenses		<u>19,125</u>
Total current assets		<u>459,911</u>

Property and Equipment

Furniture and equipment		24,200
Accumulated depreciation		<u>(24,200)</u>
Total property and equipment, net		<u>-</u>

Total assets	\$	<u>459,911</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Payroll taxes payable	\$	<u>4,328</u>
Total current liabilities		<u>4,328</u>

Total liabilities		<u>4,328</u>
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Net Assets

Without donor restrictions		455,583
With donor restrictions		<u>-</u>
Total net assets		<u>455,583</u>

Total liabilities and net assets	\$	<u>459,911</u>
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See independent accountant's compilation report and accompanying notes.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Grants	\$ 150,000	\$ -	\$ 150,000
Contributions and donations	126,716	-	126,716
Other income	1,734	-	1,734
Net assets released from restrictions	-	-	-
Total Revenue	278,450	-	278,450
Expenses			
Program Services			
Economic development	209,780	-	209,780
Total Program	209,780	-	209,780
 Support services			
General and administrative	47,519	-	47,519
Total Support Services	47,519	-	47,519
Total expenses	257,298	-	257,298
Change in net assets	21,152	-	21,152
Net assets, beginning of year	434,431	-	434,431
Net assets, end of year	\$ 455,583	\$ -	\$ 455,583

See independent accountant's compilation report and accompanying notes.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program</u>		
	Economic	General and	
	Development	Administrative	Total
Salaries	\$ 96,000	\$ 32,000	\$ 128,000
Startup St. Bernard	47,500	-	47,500
Rent	11,871	3,957	15,828
Health insurance	10,500	3,500	14,000
Payroll taxes	7,565	2,522	10,086
Marketing	7,463	-	7,463
Printing	4,463	1,488	5,950
Telephone	4,124	1,375	5,498
Working on the Water Summit	5,202	-	5,202
Legal and accounting	3,650	1,217	4,867
Travel	4,045	-	4,045
Insurance	1,875	625	2,500
Conferences	2,153	-	2,153
Auto allowance	1,048	349	1,397
Web design	910	303	1,213
Dues and subscriptions	861	-	861
Cell phone reimbursement	551	184	735
	<u>\$ 209,780</u>	<u>\$ 47,519</u>	<u>\$ 257,298</u>

See independent accountant's compilation report and accompanying notes.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating activities	
Change in net assets	\$ 21,152
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in prepaid expense	15,828
Decrease in payroll taxes payable	<u>(211)</u>
Total adjustments	<u>15,617</u>
Net cash provided by operating activities	<u>36,769</u>
Net increase in cash and cash equivalents	36,769
Cash and cash equivalents, beginning of year	<u>404,017</u>
Cash and cash equivalents, end of year	<u>\$ 440,786</u>

See independent accountant's compilation report and accompanying notes.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 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.

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

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.

Functional 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 on the basis of estimates of time and effort.

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.

Property and Equipment

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.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Income Taxes

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 2016, 2017, and 2018 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.

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.

NOTE 2 – Property and Equipment

Property and equipment consist of the following:

Furniture	\$20,552
Equipment	<u>3,648</u>
	24,200
Less: Accumulated Depreciation	<u>(24,200)</u>
Total	<u>\$ -</u>

Depreciation expense was \$0 for the year ended December 31, 2018.

NOTE 3 – 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, 2018, the Foundation received approximately 54% of its total revenues from one donor. A significant reduction in funding from this donor may lead to a reduction in program activities.

NOTE 4 – Rent

The Foundation leases its space under the terms of an operating lease which expires on March 17, 2020. Total rent expense for the year ended December 31, 2018 was \$15,828. The total amount due over the course of the lease was prepaid during 2010. At December 31, 2018, prepaid rent totaled \$19,125.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 – Rent (Continued)

Monthly payments due under the lease for the years ending December 31 would be as follows:

2019	\$ 15,828
2020	<u>3,297</u>
Total	<u>\$ 19,125</u>

NOTE 5 - Liquidity

At December 31, 2018, the Foundation has \$440,786 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The Foundation structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 6 – Change in Accounting Principle

Effective January 1, 2018, the Foundation adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Foundation’s net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Foundation did not have any temporarily or permanently restricted net assets.

NOTE 7 – Date of Management’s Review

Management has evaluated subsequent events through May 10, 2019, the date the financial statements were available to be issued.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE
AGENCY HEAD
FOR THE YEAR DECEMBER 31, 2018**

Agency Head Name: Andrew Jacques

<u>Purpose</u>	<u>Amount</u>
Salaries	\$ 90,000
Benefits - insurance	10,000
Auto allowance	1,207
Meeting expense and travel	3,775
Conference travel	<u>1,305</u>
	<u>\$106,287</u>

OTHER REPORTS

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
SUMMARY SCHEDULE OF FINDINGS
DECEMBER 31, 2018

Not applicable

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
SUMMARY SCHEDULE OF PRIOR PERIOD FINDINGS
DECEMBER 31, 2018**

Not applicable.