

**REPORT**

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**

**DECEMBER 31, 2019**

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## **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

June 26, 2020

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, 2019, 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, 2019**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	403,876
Accounts receivable		37,500
Contract assets		5,000
Prepaid expenses		3,297
<b>Total current assets</b>		<u>449,673</u>

**Property and Equipment**

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

<b>Total assets</b>	\$	<u>449,673</u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Payroll taxes payable	\$	<u>4,022</u>
<b>Total current liabilities</b>		<u>4,022</u>
<b>Total liabilities</b>		<u>4,022</u>

**Net Assets**

Without donor restrictions		445,651
With donor restrictions		<u>-</u>
<b>Total net assets</b>		<u>445,651</u>

<b>Total liabilities and net assets</b>	\$	<u>449,673</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, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues</b>			
St. Bernard Parish grant	\$ 150,000	\$ -	\$ 150,000
Contract revenue	10,000	-	10,000
Contributions and donations	73,806	-	73,806
Other income	2,107	-	2,107
Net assets released from restrictions	-	-	-
<b>Total Revenue</b>	235,913	-	235,913
<b>Expenses</b>			
Program Services			
Economic development	187,854	-	187,854
Total Program	187,854	-	187,854
 Support services			
General and administrative	57,992	-	57,992
Total Support Services	57,992	-	57,992
<b>Total expenses</b>	245,845	-	245,845
<b>Change in net assets</b>	(9,932)	-	(9,932)
<b>Net assets, beginning of year</b>	455,583	-	455,583
<b>Net assets, end of year</b>	\$ 445,651	\$ -	\$ 445,651

See independent accountant's compilation report and accompanying notes.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Program</u>		Total
	Economic Development	General and Administrative	
Salaries	\$ 110,366	\$ 36,789	\$ 147,154
Health insurance	13,115	4,372	17,486
Rent	11,871	3,957	15,828
Payroll taxes	8,618	2,873	11,490
Marketing	11,345	-	11,345
Travel	7,459	-	7,459
Printing	5,245	1,748	6,993
Legal and accounting	4,552	1,517	6,069
Telephone	4,131	1,377	5,508
Office renovations	-	3,910	3,910
Working on the Water Summit	2,575	-	2,575
Insurance	1,856	619	2,475
Conferences	2,280	-	2,280
Auto allowance	1,169	390	1,558
Dues and subscriptions	1,120	-	1,120
Web design	675	225	900
Grow St. Bernard	884	-	884
Cell phone reimbursement	595	198	793
Miscellaneous	-	18	18
	<u>\$ 187,854</u>	<u>\$ 57,992</u>	<u>\$ 245,845</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, 2019**

<b>Cash Flows from Operating activities</b>	
Change in net assets	\$ (9,932)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Increase in accounts receivable	(37,500)
Increase in contract assets	(5,000)
Decrease in prepaid expense	15,828
Decrease in payroll taxes payable	<u>(306)</u>
<b>Total adjustments</b>	<u>(26,978)</u>
<b>Net cash used by operating activities</b>	<u>(36,910)</u>
<b>Net decrease in cash and cash equivalents</b>	(36,910)
<b>Cash and cash equivalents, beginning of year</b>	<u>440,786</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 403,876</u>

See independent accountant's compilation report and accompanying notes.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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.

**Financial Statement Presentation**

The Foundation follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – limited only by the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors, and others entered into by the organization in the course of its business.

Net Assets with Donor Restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation had no net assets with donor restrictions as of December 31, 2019.

**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.



**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**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.

**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**

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.

**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 2017, 2018, and 2019 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**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 6.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements**

In May, 2014, the Financial Accounting Standards Board issued *ASU 2014-09, Revenue from Contracts with Customers (ASC 606)*. The guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. The Foundation adopted ASC 606 effective January 1, 2019. The adoption did not result in an adjustment to beginning net assets.

**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, 2019.

**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, 2019, the Foundation received approximately 64% 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 leased its space under the terms of an operating lease which expired on March 16, 2020. Total rent expense for the year ended December 31, 2019 was \$15,828. The total amount due over the course of the lease was prepaid during 2010. At December 31, 2019, prepaid rent totaled \$3,297. Effective March 17, 2020, the lease was renewed and extended through March 16, 2025 at a monthly rate of \$1,250.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 4 – Rent (Continued)**

Future minimum lease payments are as follows:

2020	\$15,172
2021	15,000
2022	15,000
2023	15,000
2024	15,000
Thereafter	<u>3,125</u>
	<u>\$78,297</u>

**NOTE 5 - Liquidity**

At December 31, 2019, the Foundation has \$441,376 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 and accounts receivable. The Foundation structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

**NOTE 6 – 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 \$10,000 for the year ended December 31, 2019 and includes unbilled receivables totaling \$5,000 as of December 31, 2019 reported as contract assets on the statement of financial position.

**NOTE 7 – Subsequent Event**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries could be severely impacted for months or more, as governments take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options at this time. No adjustments have been made to these financial statements as a result of this uncertainty.

**NOTE 8 – Date of Management’s Review**

Management has evaluated subsequent events through June 26, 2020, 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, 2019**

Agency Head Name: Andrew Jacques

<u>Purpose</u>	<u>Amount</u>
Salaries	\$ 99,205
Benefits - insurance	11,913
Cell phone reimbursement	793
Auto allowance	1,504
Meeting expense and travel	6,196
Conference travel	840
	<hr/>
	\$120,451

## **OTHER REPORTS**

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**SUMMARY SCHEDULE OF FINDINGS**  
**DECEMBER 31, 2019**

Not applicable

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION  
SUMMARY SCHEDULE OF PRIOR PERIOD FINDINGS  
DECEMBER 31, 2019**

Not applicable.