

**REPORT**

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**

**DECEMBER 31, 2017**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

June 28, 2018

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, 2017, 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, 2017**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	404,017
Prepaid expenses		<u>34,953</u>
<b>Total current assets</b>		<u>438,970</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>438,970</u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Payroll taxes payable	\$	<u>4,539</u>
<b>Total current liabilities</b>		<u>4,539</u>

<b>Total liabilities</b>		<u>4,539</u>
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**Net Assets**

Unrestricted net assets		434,431
Temporarily restricted net assets		-
Permanently restricted net assets		<u>-</u>
<b>Total net assets</b>		<u>434,431</u>

<b>Total liabilities and net assets</b>	\$	<u>438,970</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, 2017**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenues</b>				
Grants	\$ 150,000	\$ -	\$ -	\$ 150,000
Contributions and donations	85,591	-	-	85,591
Other income	532	-	-	532
Net assets released from restrictions	-	-	-	-
<b>Total Revenue</b>	<b>236,123</b>	<b>-</b>	<b>-</b>	<b>236,123</b>
<b>Expenses</b>				
Program Services				
Economic development	183,395	-	-	183,395
<b>Total Program</b>	<b>183,395</b>	<b>-</b>	<b>-</b>	<b>183,395</b>
Support services				
General and administrative	51,184	-	-	51,184
<b>Total Support Services</b>	<b>51,184</b>	<b>-</b>	<b>-</b>	<b>51,184</b>
<b>Total expenses</b>	<b>234,579</b>	<b>-</b>	<b>-</b>	<b>234,579</b>
<b>Change in net assets</b>	<b>1,544</b>	<b>-</b>	<b>-</b>	<b>1,544</b>
<b>Net assets, beginning of year</b>	<b>432,887</b>	<b>-</b>	<b>-</b>	<b>432,887</b>
<b>Net assets, end of year</b>	<b>\$ 434,431</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 434,431</b>

See independent accountant's compilation report and accompanying notes.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Program	General and Administrative	Total
Salaries	\$ 88,740	\$ 34,510	\$ 123,250
Startup St. Bernard	40,000	-	40,000
Rent	11,396	4,432	15,828
Payroll taxes	7,229	2,811	10,040
Health insurance	7,200	2,800	10,000
Telephone	4,362	1,696	6,058
Printing	3,730	1,450	5,180
Legal and accounting	3,658	1,422	5,080
Marketing	4,270	-	4,270
Insurance	1,868	727	2,595
Travel	2,267	-	2,267
Depreciation	1,455	566	2,021
Special projects	1,775	-	1,775
Working on the Water Summit	1,759	-	1,759
Conferences	1,194	-	1,194
Auto allowance	716	278	994
Web design	680	264	944
Cell phone reimbursement	489	190	679
Dues and subscriptions	601	-	601
Postage	-	34	34
Professional development	7	3	10
	<u>\$ 183,395</u>	<u>\$ 51,184</u>	<u>\$ 234,579</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, 2017**

<b>Cash Flows from Operating activities</b>	
Change in net assets	\$ 1,544
Adjustments to reconcile change in net assets net cash provided by operating activities:	
Depreciation	2,021
Decrease in grants receivable	37,500
Decrease in prepaid expense	15,828
Increase in payroll taxes payable	<u>1,414</u>
<b>Total adjustments</b>	<u>56,763</u>
<b>Net cash provided by operating activities</b>	<u>58,307</u>
<b>Net increase in cash and cash equivalents</b>	58,307
<b>Cash and cash equivalents, beginning of year</b>	<u>345,710</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 404,017</u>

See independent accountant's compilation report and accompanying notes.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

The Foundation records contributions when a donor makes a promise to give to the Foundation 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 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.

Management has determined that all grants and contributions are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2017.

**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 2015, 2016, and 2017 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.

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

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

**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 \$2,021 for the year ended December 31, 2017.

**NOTE 3 – Concentration of Credit Risk**

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

**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, 2017 was \$15,828. The total amount due over the course of the lease was prepaid during 2010. At December 31, 2017, prepaid rent totaled \$34,953.

Monthly payments due under the lease would be as follows:

Year ending December 31

2018	\$ 15,828
2019	15,828
2020	<u>3,297</u>
Total	<u>\$ 34,953</u>

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 5 – Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 6 – Date of Management’s Review**

Management has evaluated subsequent events through June 28, 2018, 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, 2017**

Agency Head Name: Andrew Jacques

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salaries	\$ 89,583
Benefits - insurance	10,000
Auto allowance	501
Meeting expense and travel	2,434
Conference travel	<u>1,154</u>
	<u>\$103,672</u>

## **OTHER REPORTS**

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION**  
**SUMMARY SCHEDULE OF FINDINGS**  
**DECEMBER 31, 2017**

Not applicable

**ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION  
SUMMARY SCHEDULE OF PRIOR PERIOD FINDINGS  
DECEMBER 31, 2017**

Not applicable.