

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.

FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

Sean M. Bruno
Certified Public Accountants, LLC

Algiers Economic Development Foundation, Inc.
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June 30, 2023

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Sean M. Bruno
Certified Public Accountants, LLC

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
The Algiers Economic Development Foundation, Inc. (AEDF)
New Orleans, Louisiana

I have reviewed the accompanying financial statements of **The Algiers Economic Development Foundation, Inc. (AEDF)**, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses 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, I 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the American and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am 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.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC

December 28, 2023

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023

ASSETS

ASSETS:

Cash and cash equivalents (NOTE 1)	\$ 26,305
Grants receivable (NOTE 1)	57,961
Other assets (NOTE 1)	1,013
Property, plant and equipment, net accumulated depreciation \$9,621 (NOTE 1)	<u>5,009</u>
TOTAL ASSETS	<u>\$ 90,288</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Payroll liabilities	\$ 3,279
TOTAL LIABILITIES	<u>3,279</u>

NET ASSETS:

Without donor restrictions (NOTE 1)	84,061
With donor restrictions (NOTE 1)	<u>2,948</u>
TOTAL NET ASSETS	<u>87,009</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 90,288</u>

See accompanying notes and accountants' report

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:			
Grants	\$ 11,500	\$ 194,601	\$ 206,101
Program Income	25,961	-	25,961
Donations	19,309	-	19,309
Membership dues	8,500	-	8,500
Sponsorships	16,960	-	16,960
Net asset released from purpose and time restrictions	306,620	(306,620)	-
Total revenues and support	388,850	(112,019)	276,831
Expenses:			
Program services:			
Economic growth encouragement	314,782	-	314,782
Support services:			
Management and general	58,911	-	58,911
Total expenses	373,693	-	373,693
Changes in net assets	15,157	(112,019)	(96,862)
Net assets - beginning of year	71,852	112,019	183,871
Net assets - end of year	\$ 87,009	\$ -	\$ 87,009

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Total
Contract services	\$ 48,675	\$ 2,230	\$ 50,905
Cost of goods sold	-	1,550	1,550
Depreciation expense	-	203	203
Insurance	-	4,579	4,579
Travel and meetings	-	2,074	2,074
Operations	18,593	8,164	26,757
Minor equipment	-	3,163	3,163
Personnel expenses	98,258	24,564	122,822
Stipends	15,000	-	15,000
Program expenses	121,218	560	121,778
Scholarships	13,038	-	13,038
Professional services	-	2,947	2,947
Storage	-	1,606	1,606
Rent	-	7,271	7,271
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 314,782</u>	<u>\$ 58,911</u>	<u>\$ 373,693</u>

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash Flows From Operating Activities

Change in net assets	\$ (96,862)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization	203
Increase in grants receivable	(2,458)
Decrease in other assets	600
Decrease in payroll liabilities	<u>(262)</u>
 Net cash used in operating activities	 <u>(98,779)</u>

Cash Flows From Financing Activities

Leasehold improvements	<u>(5,212)</u>
 Net cash used in financing activities	 <u>(5,212)</u>
 Net decrease in cash and cash equivalents	 (103,991)
Cash and cash equivalents - July 1, 2022	<u>130,296</u>
 Cash and cash equivalents - June 30, 2023	 <u>\$ 26,305</u>

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1- ORGANIZATION:

The Algiers Economic Development Foundation, Inc. (AEDF), a nonprofit organization, was organized to foster economic growth of the Algiers community. Through leadership, innovation and collaboration, the **AEDF** engages the Algiers business community, civic and community partners, elected officials, and regional partners in proactive business initiatives that foster Algiers' growing business environment and establish a sustainable community to create opportunities for Algiers' residents and neighborhoods to thrive and grow.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

AEDF prepared 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.

Basis of Presentation

For the year ended June 30, 2023, (**AEDF**) followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the presentation of its financial statements. The purpose of the FASB ASC 2016-04 is to improve the financial reporting of those entities. Among other provisions, this ASC reduces the number of classes of net assets from three to two, requiring the presentation of expenses in both natural and functional classifications, and requiring additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 31, 2017 and requires the use of the retrospective transition method. (**AEDF**) adopted this standard for the year ended June 30, 2023 and its implementation is reflected in the financial statements.

A description of the two net asset categories is as follows:

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Continued

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

At June 30, 2021, **AEDF** has no net assets with donor restrictions.

Use of Estimates

The preparation of the **AEDF's** financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and disclosure of contingent assets and liabilities. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments with original maturities of three months or less.

Grants Receivable

AEDF signed a cooperative endeavor agreement with the City of New Orleans to reimburse **AEDF** for expenses related to events held to promote economic growth in the Algiers community. Accounts receivable as of June 30, 2023 consisted of amounts due from the City of New Orleans for this cooperative endeavor agreement. Management believes all amounts are collectible; therefore, no allowance for doubtful accounts is recorded.

Fixed Assets

Fixed assets are stated at cost, with the exception of donated items, which are stated at fair market value at the date of donation. It is **AEDF's** policy to capitalize expenditures for items in excess of \$1,000 with a useful life of at least 3 years. Lesser amounts and expenses that do not extend the assets useful life are expensed as incurred. **AEDF** uses the straight-line depreciation method over the useful lives of its property. Office furniture is depreciated over 7 years. Depreciation expense for the year ended June 30, 2023 totaled \$203.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Assets

Other assets consisted of the rent damage deposit for the **AEDF** office space.

Revenue and Deferred Revenue

Sponsorships and ticket sales (program income) for special events are recognized as revenue when the event is held. Grant revenue relates to the cooperative endeavor agreement with the City of New Orleans and is recognized as expenses are incurred.

Fair Value

AEDF adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **AEDF** to maximize the use of observable marked input, minimize the use of unobservable marked inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Functional Allocation of Expenses

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

Concentration of Risk

AEDF maintained its cash balance in a financial institution whose balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023, **AEDF's** cash balance was secured from credit risk.

NOTE 3- INCOME TAX STATUS

Under the provisions of the Internal Revenue Code Section 501(c)(3), and the applicable income tax regulations of Louisiana **AEDF** is exempt from taxes on income other than unrelated business income. For the year ended June 30, 2023, **AEDF** had no unrelated business income. Management believes there are no uncertainties included in the accompanying financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820 fair value is defined as the price that **AEDF** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **AEDF's** assets or liabilities. The inputs are summarized in the three broad levels listed below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Pricing inputs are other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **AEDF's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

The following table summarizes the valuation of **AEDF's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of June 30, 2023 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 26,305	\$ 26,305
Grant receivables	\$ 57,961	\$ 57,961
Other assets	\$ 1,013	\$ 1,013

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of cash and cash equivalents totaling \$26,305. Management has a goal to maintain sufficient financial resources on hand to meet operating needs.

NOTE 6 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 28, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Supplementary Information

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS MADE TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name: Kelsey Foster, Executive Director

PURPOSE	AMOUNT
Salary	\$ 65,000
Benefits-health insurance	6,000
Benefits-retirement	
Deferred compensation	
Workers comp	
Benefits-life insurance	
Benefits-long term disability	
Benefits-FICA and Medicare	
Car allowance	
Vehicle provided by government	
Cell phone	
Dues	
Vehicle rental	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Unvouchered expenses	
Meetings and conventions	
Other	
Total	\$ 71,000

See accompanying notes and accountants' report.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
SCHEDULE OF FINDINGS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

None Noted

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

None Noted