REPORT

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY

DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

May 27, 2014

To The Board of Directors New Orleans Education League of the Construction Industry Metairie, LA 70001

Report on the Financial Statements

We have audited the accompanying financial statements of New Orleans Education League of the Construction Industry (a Louisiana nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with accounting standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans Education League of the Construction Industry as of December 31, 2013, and the changes in net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Duplantier, Hrapmann, Hogan & Maher, LLP

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2013

ASSETS

CURRENT ASSETS:		
Cash and cash equivalents (Notes 1 and 2)	\$	45,485
Total current assets		45,485
TOTAL ASSETS	\$ =	45,485
LIADU ITIEG AND NET AGGETG		
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:	_	
Accrued liabilities	\$	1,325
Due to Home Builders Association (Note 3)	_	24,678
Total liabilities	_	26,003
NET ASSETS:		
Unrestricted		19,482
Total net assets	_	19,482
TOTAL LIABILITIES AND NET ASSETS	\$ _	45,485

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

		<u>2013</u>
UNRESTRICTED NET ASSETS:		
SUPPORT AND REVENUES		
Direct public grants	\$	41,362
Local government grants		69,019
Total unrestricted support and revenue		110,381
EXPENSES		
Program services		82,704
General and administrative		5,746
Total expenses		88,450
INCREASE IN UNRESTRICTED NET ASSETS		21,931
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	_	(2,449)
NET ASSETS - END OF YEAR	\$	19,482

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2013

		Program Services		General and dministrative		<u>Total</u>
Banking fees	\$	_	\$	36	\$	36
Business registration fees		72		8		80
Charitable donations		1,350		150		1,500
Insurance - Liability		13,217		1,469		14,686
Insurance - Workers Compensation		851		95		946
Kitchen and beverage		189		21		210
Membership dues		559		62		621
Outside contract services		45,630		-		45,630
Postage		6		1		7
Professional fees		-		1,590		1,590
Promotional expenses		714		79		793
Staff development		16,573		1,841		18,414
Telephone	_	3,543	_	394		3,937
	\$_	82,704	\$_	5,746	\$_	88,450

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

		<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES: Increase in net assets Increase (decrease) in current liabilities: Accounts payable	\$	21,931
	_	666
Net cash provided by operating activities	_	22,597
NET INCREASE IN CASH AND CASH EQUIVALENTS		22,597
Cash and cash equivalent, beginning of year	_	22,888
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	45,485

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

NATURE OF OPERATIONS:

The New Orleans Education League of the Construction Industry (the Association) was established in 2012, and is a professional organization serving the Gulf South Region in residential building industry education, research and charitable offerings. The Association also provides services to assist lower income elderly and/or disabled homeowners who have received code violations on their homes. The Association offers volunteer or paid labor and materials associated with the removal of code violations on owner occupied units for residents that are deemed eligible.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when they are incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, Presentation of Financial Statements for Not-for-Profit Entities. Under ASC 958-205, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements do not include any temporarily or permanently restricted net assets.

The statement of activities presents expenses for the Association's operations functionally between program services and supporting services based on specific identification.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Association considers cash and cash equivalents as petty cash, cash in banks, certificates of deposit with original maturities of three months or less and money market funds.

Income Taxes

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. Unrelated business income tax returns (Form 990-T) are subject to examination by the IRS generally for three years after the returns are filed.

NEW ORLEANS EDUCATION LEAGUE OF THE CONSTRUCTION INDUSTRY NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

1. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>: (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain type of assets, liabilities, revenues and expenses. Actual results may differ from estimated amounts.

<u>Functional Expenses</u>

The expenses of providing the programs and other activities have been summarized on a functional basis between program and supporting services in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

Revenue Recognition

The Association earns revenue through direct public grants and local government grants. Grant revenue is recognized when earned.

Advertising

The Association's policy is to expense the cost of advertising as incurred. Total advertising expense was \$793 for the year ended December 31, 2013.

2. CONCENTRATION OF CREDIT RISK:

At December 31, 2013, the Association had cash and cash equivalents of 45,485. The Association maintained its cash and cash equivalents at financial institutions that insure balances of up to \$250,000 through the Federal Deposit Insurance Corporation. There were no deposits in excess of insured limits as of December 31, 2013.

3. RELATED ORGANIZATION:

The Association has a payable due to the Home Builders Association of Greater New Orleans, Inc. (HBA) for expenses related to the creation of New Orleans Education League of the Construction Industry in 2012. The payable balance at December 31, 2013 was 24,678.

The Association entered into a consulting agreement with HBA in 2012. The Association agrees to reimburse HBA for all actual reasonable and necessary expenditures, which are directly related to the Association. The amount paid to HBA during 2013 was \$18,414.

4. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated through May 27, 2014, which is the date the financial statements were available to be issued.