

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION

**Compiled Financial Statements as of June 30, 2014
and for the Year Then Ended
and Independent Accountants' Compilation Report**

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Algiers Economic Development Foundation
New Orleans, Louisiana

We have compiled the accompanying statement of financial position of Algiers Economic Development Foundation (AEDF), a nonprofit organization, as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Carr, Riggs & Ingram, L.L.C.

New Orleans, Louisiana
January 30, 2015

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 54,764
Accounts receivable	32,521
Inventory	752
Prepaid expenses	<u>8,000</u>
 Total current assets	 96,037

FIXED ASSETS

Computer equipment	1,276
Office furniture	<u>8,142</u>
 Total fixed assets	 9,418
Accumulated depreciation	<u>(8,532)</u>
 Total fixed assets, net of accumulated depreciation	 886

OTHER ASSETS

1,013

TOTAL ASSETS

\$ 97,936

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 2,765
Deferred revenue	<u>35,000</u>
 Total liabilities	 37,765

NET ASSETS

Unrestricted	57,223
Temporarily restricted	<u>2,948</u>
 Total net assets	 <u>60,171</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 97,936

See independent accountants' compilation report and accompanying notes to financial statements.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Grants	\$ 100,160	\$ 4,689	\$ 104,849
Program income	104,820	-	104,820
Donations	4,800	-	4,800
Interest income	276	-	276
Membership dues	3,470	-	3,470
Miscellaneous income	864	-	864
Net assets released from restrictions	13,250	(13,250)	-
	<u>227,640</u>	<u>(8,561)</u>	<u>219,079</u>
EXPENSES			
Program services			
Economic growth encouragement	196,220	-	196,220
Supporting services			
Management and general	72,436	-	72,436
	<u>268,656</u>	<u>-</u>	<u>268,656</u>
CHANGE IN NET ASSETS	(41,016)	(8,561)	(49,577)
NET ASSETS - Beginning of year	<u>98,239</u>	<u>11,509</u>	<u>109,748</u>
NET ASSETS - End of year	<u><u>\$ 57,223</u></u>	<u><u>\$ 2,948</u></u>	<u><u>\$ 60,171</u></u>

See independent accountants' compilation report and accompanying notes to financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	Economic Growth Encouragement	Management and General	
Expenses			
Advertising	\$ 1,018	\$ -	\$ 1,018
Bad Debts	5,840	-	5,840
Business luncheon expenses	12,904	-	12,904
Contract services	100	14,388	14,488
Donations	1,513	-	1,513
Depreciation	-	1,774	1,774
Dues and subscriptions	-	305	305
Facilities and equipment	1,139	3,290	4,429
Insurance	-	11,237	11,237
Travel and meetings	2,923	2,484	5,407
Miscellaneous	-	84	84
Office expenses	-	7,050	7,050
Personnel expenses	91,617	7,054	98,671
Professional fees	3,939	9,590	13,529
Program expenses	72,897	-	72,897
Rent	-	15,180	15,180
Security	2,330	-	2,330
	<u>2,330</u>	<u>-</u>	<u>2,330</u>
Total	\$ 196,220	\$ 72,436	\$ 268,656

See independent accountants' compilation report and accompanying notes to financial statements.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (49,577)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,774
Changes in operating assets:	
Accounts receivable	25,326
Inventory	8,976
Prepaid expenses	(370)
Changes in operating liabilities:	
Accounts payable and accrued liabilities	(14,805)
Deferred revenue	(8,433)
	<u> </u>
Net cash used in operating activities	<u>(37,109)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(1,276)</u>
 Net cash used in investing activities	 <u>(1,276)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (38,385)
 CASH AND CASH EQUIVALENTS - Beginning of year	 <u>93,149</u>
 CASH AND CASH EQUIVALENTS - End of year	 <u><u>\$ 54,764</u></u>

See independent accountants' compilation report and accompanying notes to financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – The Algiers Economic Development Foundation (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.

Basis of Accounting – AEDF prepares its financial statements in accordance with generally accepted accounting principles, 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 – Net assets of AEDF and changes therein are classified and reported as follows:

- a) Unrestricted net assets are not subject to donor-imposed stipulations.
- b) Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of AEDF and/or the passage of time. There was \$2,948 in temporarily restricted net assets as of June 30, 2014.
- c) Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by AEDF. There are no permanently restricted net assets as of June 30, 2014.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from 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 purchased maturities of three months or less.

Accounts 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, 2014 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.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Inventory – Inventory is stated at the lower of cost or market determined by the first-in, first-out method.

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. Computer equipment is depreciated over 3 to 5 years. Furniture and fixtures are depreciated over 7 years. Depreciation expense for the year ended June 30, 2014 was \$1,774.

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

Revenue and Deferred Revenue – Sponsorships and ticket sales for special events are recognized as revenue when the event is held. Grant revenue is recognized when awarded. Deferred revenue consisted of sponsorships and other monies received in advance for use in future periods.

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, 2014, AEDF had no unrelated business income. Management believes there are no uncertainties included in the accompanying financial statements. As of June 30, 2014, the following tax years were open for review by the Internal Revenue Service: fiscal years ended June 30, 2014, 2013, and 2012. The June 30, 2014 fiscal year end has not yet been submitted.

NOTE B – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 30, 2015, 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.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014**

Section I- Summary of Accountant’s Results

Financial Statements

Type of accountant’s report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness identified?	_____ yes	_____ <u>X</u> no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Section II - Finding related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*

2014-01 Timely submission of report

Criteria: The June 30, 2014 audited financial statements were not filed within six months of the close of the fiscal year. Therefore, the Foundation is not in compliance with LSA-R.S.24.13

Condition: Certain aspects of fieldwork did not commence in time to complete the compilation within the time frame prescribed by the Louisiana Audit Law.

Effect: The effect of this condition is non-compliance with the State Law governing compilation engagement completion.

Recommendation: The compiled financial statements must be remitted within six months of the fiscal year-end, in compliance with the State Law governing compilation engagement completion.

Management Response: Management, in cooperation with the accountants, will ensure timely submission of all required reports.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*

No findings were noted for the year ended June 30, 2013.