

REPORT

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION

DECEMBER 31, 2012

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

March 26, 2013

Board of Directors
St. Bernard Economic Development Foundation
Chalmette, LA

We have compiled the accompanying statement of financial position of St. Bernard Economic Development Foundation (a nonprofit organization) as of December 31, 2012, and the related statements of activities, 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.

Hienz & Macaluso, LLC
Metairie, LA

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

ASSETS

Current Assets

Cash and cash equivalents	\$ 105,515
Grants receivable	93,750
Prepaid expenses	114,093
Total current assets	<u>313,358</u>

Property and Equipment

Furniture and equipment	24,200
Accumulated depreciation	(8,320)
Total property and equipment, net	<u>15,880</u>

Total assets	<u><u>\$ 329,238</u></u>
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LIABILITIES AND NET ASSETS

Total liabilities	<u>\$ -</u>
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Net Assets

Unrestricted net assets	329,238
Temporarily restricted net assets	-
Permanently restricted net assets	-
Total net assets	<u>329,238</u>

Total liabilities and net assets	<u><u>\$ 329,238</u></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, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Grants	\$ 125,000	\$ 10,000	\$ -	\$ 135,000
Donations	50,637	-	-	50,637
Other income	3,177	-	-	3,177
Net assets released from restrictions	10,000	(10,000)	-	-
Total Revenue	188,814	-	-	188,814
Expenses				
Program Services				
Economic development	103,638	-	-	103,638
Total Program	103,638	-	-	103,638
Support services				
General and administrative	19,944	-	-	19,944
Total Support Services	19,944	-	-	19,944
Total expenses	123,582	-	-	123,582
Change in net assets	65,232	-	-	65,232
Net assets, beginning of year	264,006	-	-	264,006
Net assets, end of year	\$ 329,238	\$ -	\$ -	\$ 329,238

See independent accountant's compilation report and accompanying notes.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program	General and Administrative	Total
Salaries and payroll taxes	\$ 51,436	\$ 9,077	\$ 60,513
Rent	13,454	2,374	15,828
Professional fees	8,926	3,222	12,148
Consulting	11,850	-	11,850
Insurance	4,215	744	4,959
Telephone	3,218	568	3,786
Depreciation	3,116	550	3,666
Office supplies	2,474	437	2,911
Advertising	2,312	408	2,720
Hiring	-	2,099	2,099
Travel	1,097	193	1,290
Payroll processing	916	162	1,078
Auto Allowance	268	47	315
Training	229	40	269
Dues	127	23	150
	<u>\$ 103,638</u>	<u>\$ 19,944</u>	<u>\$ 123,582</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, 2012

Cash Flows from Operating activities	
Change in net assets	\$ 65,232
Adjustments to reconcile change in net assets net cash provided by operating activities:	
Depreciation	3,666
Increase in grants receivable	(62,500)
Decrease in prepaid expense	<u>15,828</u>
Total adjustments	<u>(43,006)</u>
Net cash provided by operating activities	<u>22,226</u>
Net increase in cash and cash equivalents	22,226
Cash and cash equivalents, beginning of year	<u>83,289</u>
Cash and cash equivalents, end of year	<u><u>\$ 105,515</u></u>

See independent accountant's compilation report and accompanying notes.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

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.

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 2010, 2011, and 2012 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, 2012

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>(8,320)</u>
 Total	 <u>\$15,880</u>

Depreciation expense was \$3,666 for the year ended December 31, 2012.

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 – Release of Restricted Net Assets

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose and by satisfying the time restriction.

Economic Development Administration	<u>\$10,000</u>
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NOTE 5 – 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, 2012 was \$15,828. The total amount due over the course of the lease was prepaid during 2010. At December 31, 2012, prepaid rent totaled \$114,093.

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5 – Rent (Continued)

Monthly payments due under the lease would be as follows:

Year ending December 31

2013	15,828
2014	15,828
2015	15,828
2016	15,828
2016	15,828
Thereafter	<u>34,953</u>
Total	<u>\$114,093</u>

NOTE 6 – 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 7 – Related Party Transactions

The Foundation received a donation in the amount of \$50,637 from the St. Bernard Economic Development Commission, an entity which shares the same executive director and board members as the Foundation.

NOTE 8 – Date of Management's Review

Management has evaluated subsequent events through March 26, 2013, the date the financial statements were available to be issued.

OTHER REPORTS

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
SUMMARY SCHEDULE FINDINGS
DECEMBER 31, 2012

Not applicable

ST. BERNARD ECONOMIC DEVELOPMENT FOUNDATION
SUMMARY SCHEDULE OF PRIOR PERIOD FINDINGS
DECEMBER 31, 2012

Finding 2011-01 Open Meetings Law

During the course of our procedures, we noted that agendas for meetings recorded in the minutes were not posted as an open meeting as required by Louisiana R.S. 42:1 through 42:13 (the open meetings law).

This finding was resolved during the current year.