

**HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE  
ECONOMIC DEVELOPMENT CORPORATION  
(A NONPROFIT CORPORATION)**

**Financial Statements**

**December 31, 2020**

# Carmody, Meach & Choo, LLP

C E R T I F I E D P U B L I C A C C O U N T A N T S

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## Independent Accountants' Review Report

To The Board of Trustees of  
Historic Lincoln Heights Industrial Zone  
Economic Development Corporation (a nonprofit corporation)  
Los Angeles, California

We have reviewed the accompanying financial statements of Historic Lincoln Heights Industrial Zone Economic Development Corporation (a nonprofit corporation) which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2020, and the related statement of support, revenue, and expenses – cash basis and statement of functional expenses – cash basis for the year 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 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, we 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 the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Carmody Meach & Choo LLP*

**CARMODY, MEACH & CHOO, LLP**

**Certified Public Accountants**

April 27, 2021

**HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE  
ECONOMIC DEVELOPMENT CORPORATION  
(A Nonprofit Organization)  
Statement of Assets, Liabilities, and Net Assets - Cash Basis  
December 31, 2020**

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**ASSETS**

**CURRENT ASSETS**

Cash in bank \$ 15,610

***TOTAL CURRENT ASSETS*** 15,610

**OTHER ASSETS**

Deferred expenses 5,000

***TOTAL OTHER ASSETS*** 5,000

***TOTAL ASSETS*** \$ 20,610

***TOTAL LIABILITIES*** \$ -

**NET ASSETS**

Without donor restrictions 20,610

***TOTAL NET ASSETS*** 20,610

***TOTAL LIABILITIES AND NET ASSETS*** \$ 20,610

See accompanying notes and independent accountants' review report.

**HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE  
ECONOMIC DEVELOPMENT CORPORATION  
(A Nonprofit Organization)  
Statement of Support, Revenue, and Expenses - Cash Basis  
For the Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Property assessments income	\$ -	\$ 80,060	\$ 80,060
Net assets released from restrictions	80,060	(80,060)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>80,060</b>	<b>-</b>	<b>80,060</b>
<b>EXPENSES</b>			
Program services	54,013	-	54,013
Supporting services	17,815	-	17,815
<b>TOTAL EXPENSES</b>	<b>71,828</b>	<b>-</b>	<b>71,828</b>
<b>CHANGE IN NET ASSETS</b>	<b>8,232</b>	<b>-</b>	<b>8,232</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>12,378</b>	<b>-</b>	<b>12,378</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 20,610</b>	<b>\$ -</b>	<b>\$ 20,610</b>

See accompanying notes and independent accountants' review report.

**HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE  
ECONOMIC DEVELOPMENT CORPORATION  
(A Nonprofit Organization)  
Statement of Functional Expenses - Cash Basis  
For the Year Ended December 31, 2020**

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	Program services	Supporting services	Total
Administrative contract	\$ 9,000	\$ 9,000	\$ 18,000
Auto expenses	854	-	854
City recovery costs	4,259	-	4,259
Insurance	2,180	280	2,460
Maintenance contract	34,659	-	34,659
Professional fees	-	3,135	3,135
Rent	6,000	-	6,000
Supplies	61	2,400	2,461
 Total expenses	 \$ 57,013	 \$ 14,815	 \$ 71,828

See accompanying notes and independent accountants' review report.

**HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE  
ECONOMIC DEVELOPMENT CORPORATION  
(A Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended December 31, 2020**

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NATURE OF ACTIVITIES

Historic Lincoln Heights Industrial Zone Economic Development Corporation (the "Organization") was incorporated in 2000 as a nonprofit public benefit corporation in the State of California. The Organization was established to bring about the revitalization, investment of capital, increased provision of quality public improvements, increased economic wellbeing of property owners, residents, and businesses, and to provide improvement and activities which confer special benefits to real property owners in the *Historic Lincoln Heights Industrial Zone* and its surrounds.

The Organization's agreement with the City of Los Angeles for the administration of the Historic Lincoln Heights Industrial Zone expires in 2025.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For purposes of the statement of financial position, the Organization considers all short-term investments with a maturity of three months or less to be cash.

Liquidity

The following table reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered to be unavailable when illiquid or not convertible to cash within one year or restricted by donors. The Organization evaluates future liquidity requirements based on expected future expenditures.

Cash in bank	\$ 15,610
Assets available within one year for general expenditures	\$ 15,610

Income and expense recognition

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

The Organization reports property assessments revenue received and special event income as revenue with donor restriction. When the restriction expires, that is, when the purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restrictions and are reported in the statement of activities as "*net assets released from restrictions*".

**HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE  
ECONOMIC DEVELOPMENT CORPORATION  
(A Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended December 31, 2020**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets

The Organization reports information regarding their financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions as described below:

Without donor restrictions includes funds which are expendable for the support of the Organization's operations.

With donor restrictions includes funds that have been restricted by donors for specific purposes, for use according to specific timetables, or both.

At December 31, 2020, net assets without donor restrictions were \$20,610. There were no net assets with donor restrictions.

Income taxes

The Organization is exempt from income tax under the provisions of the Internal Revenue Code 501(c)(3) and a similar section of the state income tax laws. Therefore, no provision has been made for income taxes in the accompanying financial statements.

Functional allocation expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that were allocated include administrative contract and rent, which are allocated on a basis of time and efforts.

Use of 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.

DEFERRED EXPENSES

The Organization paid professional fees to extend the agreement with City of Los Angeles. The fees are being amortized over the term of the agreement. The unamortized portion of the fees at December 31, 2020 was \$5,000 and is shown as Deferred Expenses.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 27, 2021, the date these financial statements were available to be issued, and determined that no events have occurred that require disclosure in these financial statements.