

**GREATER BOSSIER ECONOMIC
DEVELOPMENT FOUNDATION
BOSSIER CITY, LOUISIANA
DECEMBER 31, 2021 AND 2020**

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

BOSSIER CITY, LOUISIANA

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AUDITED FINANCIAL STATEMENTS



REGIONS TOWER
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June 29, 2022

To the Board of Directors
Greater Bossier Economic Development Foundation
Bossier City, Louisiana

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of Greater Bossier Economic Development Foundation (a non-profit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Bossier Economic Development Foundation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Bossier Economic Development Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Bossier Economic Development Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greater Bossier Economic Development Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Greater Bossier Economic Development Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented in accordance with Act 706 of the Louisiana Revised Statutes (LRS) 24:513(A)(3) on page 12 for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Bossier Economic Development Foundation's internal control over financial reporting and compliance.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<u>Current assets:</u>		
Cash and cash equivalents	946,199	859,581
Receivable	<u>13,695</u>	<u>6,985</u>
Total current assets	<u>959,894</u>	<u>866,566</u>
<u>Property and equipment</u> , less accumulated depreciation of \$39,220 and \$44,439	<u>16,752</u>	<u>21,971</u>
Total assets	<u><u>976,646</u></u>	<u><u>888,537</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable	<u>5,645</u>	<u>5,101</u>
Total liabilities	5,645	5,101
<u>Net assets:</u>		
Without donor restrictions	<u>971,001</u>	<u>883,436</u>
Total net assets	<u>971,001</u>	<u>883,436</u>
Total liabilities and net assets	<u><u>976,646</u></u>	<u><u>888,537</u></u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Change in net assets without donor restrictions:</u>		
<u>Revenue and other support:</u>		
Dues	51,175	51,675
Riverboat revenue	484,624	373,994
Investment income	2,810	2,916
Miscellaneous income	<u>22,848</u>	<u>7,885</u>
Total revenue and other support	561,457	436,470
<u>Expenses:</u>		
Program services	295,794	255,599
Supporting services	<u>178,098</u>	<u>150,661</u>
Total expenses	<u>473,892</u>	<u>406,260</u>
<u>Change in net assets without donor restrictions</u>	87,565	30,210
<u>Net assets-beginning of year</u>	<u>883,436</u>	<u>853,226</u>
<u>Net assets-end of year</u>	<u><u>971,001</u></u>	<u><u>883,436</u></u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>		<u>2020</u>	
	<u>Program Services</u>		<u>Program Services</u>	
	<u>Economic Development</u>	<u>Supporting Services</u>	<u>Economic Development</u>	<u>Supporting Services</u>
Community support	72,325	-	31,287	-
Legislative expenses	6,000	-	6,000	-
Salaries and benefits	142,313	60,992	151,671	65,002
Professional services	4,511	40,596	4,632	41,692
Marketing	22,956	-	9,794	-
Newsletter and promotion	13,209	-	6,869	-
Rent	-	40,658	-	19,553
Office operations	30,080	12,891	33,746	14,463
Interest expense	-	89	-	-
Depreciation	-	5,219	-	4,141
Bad debt expense	4,400	-	11,600	-
Other	-	17,653	-	5,810
	<u>295,794</u>	<u>178,098</u>	<u>255,599</u>	<u>150,661</u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	87,565	30,210
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,219	4,141
(Increase) in receivables	(6,710)	(1,485)
Increase (decrease) in payables	544	(10,717)
Net cash provided by operating activities	<u>86,618</u>	<u>22,149</u>
<u>Cash flows from investing activities:</u>		
Purchase of fixed assets	<u>-</u>	<u>(22,913)</u>
Net cash (used) by investing activities	<u>-</u>	<u>(22,913)</u>
<u>Net increase (decrease) in cash and cash equivalents</u>	86,618	(764)
<u>Cash and cash equivalents at beginning of the year</u>	<u>859,581</u>	<u>860,345</u>
<u>Cash and cash equivalents at end of the year</u>	<u><u>946,199</u></u>	<u><u>859,581</u></u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

1. Organization

The Greater Bossier Economic Development Foundation (the Foundation) is a Louisiana nonprofit corporation which has been in existence since 1979 as the economic development arm of the Bossier Chamber of Commerce. On April 13, 2005, the Foundation was incorporated and exempted under Section 501(c)(6) of the Internal Revenue Code and became its own independent nonprofit entity. The activities currently provided by the Foundation include providing leadership and excellence in economic development for Bossier City, Louisiana.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation and the methods of applying those policies which materially affect the determination of financial position, changes in financial position, or changes in net assets are summarized below:

Financial Statement Presentation:

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor imposed restrictions, as follows:

Net assets without donor restrictions – Net assets that are not subject to donor or grantor imposed restrictions. Some net assets without donor restrictions may be designated for specific purposes by action of the governing board.

Net assets with donor restrictions – Net assets subject to donor or grantor imposed restrictions that may or will be met by actions of the Foundation. There are no donor or grantor restricted net assets at December 31, 2021 and 2020.

Contributions:

Contributions received are recorded based on the existence and/or nature of any donor restrictions.

Revenue Recognition:

Riverboat revenues are funded by a percentage of monthly net gaming proceeds from the riverboat casinos located in Bossier City and recognized when received. The funding was enacted by the Legislature of the State of Louisiana. Membership dues are paid by the members on an annual basis and are recognized as revenue as the performance obligation is satisfied in the period when the fees are actually due.

Promises to Give:

Contributions are recognized when the 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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in

2. Summary of Significant Accounting Policies (Continued)

net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

Accounts Receivable:

Accounts receivable consists of amounts due from outside parties. Management evaluates the collectability and aging of those accounts receivable in determining the need for an allowance for doubtful accounts. Bad debts are expensed when deemed uncollectible. Bad debts during the years ended December 31, 2021 and 2020 were \$4,400 and \$11,600, respectively.

Income Taxes:

The Foundation is exempt from income taxes as an organization described in Section 501(c)(6) of the Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a). Accordingly, there is no provision for income taxes in these financial statements; however, the Foundation is required to file an annual information tax return.

The Foundation is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns remain subject to examination by the Internal Revenue Service, generally for three years after they were filed. There are no examinations currently in process.

Functional Expenses:

The costs of providing the various programs have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to both program services and supporting activities and require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include salaries and benefits, professional services, and office operations, all of which are allocated on the basis of estimates of time and effort or other reasonable basis.

3. Concentrations of Credit Risk

The Foundation maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation's uninsured cash balances totaled \$-0- at December 31, 2021 and 2020.

4. Property and Equipment

Property and equipment at December 31, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	13,139	13,139
Furniture and fixtures	23,696	23,696
Office equipment	<u>24,356</u>	<u>24,356</u>
	61,191	61,191
<u>Less-accumulated depreciation</u>	<u>(44,439)</u>	<u>(39,220)</u>
Book value of property and equipment	<u><u>16,752</u></u>	<u><u>21,971</u></u>

Depreciation expense was \$5,219 and \$4,141 for the years ended December 31, 2021 and 2020, respectively.

5. Operating Lease

The Foundation currently leases its present location from The Louisiana Boardwalk. This lease began in May 2020. The expense incurred related to rental lease payments was \$40,658 and \$19,553 for the years ended December 31, 2021 and 2020. The future rental payments are as follows:

2022	40,658
2023	43,097
2024	44,317
2025	46,102
2026	46,995
Thereafter	<u>165,146</u>
Total future payments	<u><u>386,315</u></u>

6. Retirement Plan

Beginning in August 2007, the Foundation began a Simple IRA retirement plan. Under this plan, employees may contribute up to 6% to the plan, and the Foundation may contribute up to 3%. The Foundation contributed \$4,170 and \$4,170 to the plan for the years ended December 31, 2021 and 2020, respectively.

7. Liquidity and Availability

Financial assets, consisting of cash and cash equivalents that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to approximately \$946,000 at December 31, 2021. Management has a general goal of maintaining sufficient financial resources on hand to meet at least two to three months of operating expenses.

8. New Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (Topic 842). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date:

- Lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and
- A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

Additional qualitative and quantitative disclosures will be required so that users can understand more about the nature of an entity's leasing activities. Also, the new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing.

ASU No. 2016-02 will be effective for fiscal years beginning after December 15, 2022. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. The Foundation is currently evaluating the potential impact of adopting this guidance on their financial statements.

9. Paycheck Protection Program Loan Payable

The Foundation received \$20,833 in loan proceeds during March 2021 under the Paycheck Protection Program ("Program") administered by the Small Business Administration ("SBA"). Loan proceeds are to be used to cover payroll expenses and certain other overhead expenses as defined by the Program. To the extent the Company is able to use the proceeds for qualified expenses, loan proceeds may be forgiven. Payments on any unforgiven loan proceeds are due monthly beginning 10 months from the end of the Loan Forgiveness Covered Period and bear interest at 1.0%.

The loan was set to mature in March 2026; however, the Foundation applied for and received full forgiveness of the loan during January 2022. This revenue is included in miscellaneous income on the Statement of Activities.

10. Subsequent Events

The Foundation has evaluated subsequent events through June 29, 2022, the date which the financial statements were available to be issued and noted no subsequent events other than the matters included in Note 9.

SUPPLEMENTARY INFORMATION

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION
SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH
LOUISIANA REVISED STATUTE 24:513(A)(3) (ACT 706 OF 2014)
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

Greater Bossier Economic Development Foundation: David R. Rockett, Jr., Executive Director

Salary	139,000
Bonus	11,000
Benefits-insurance	35,714
Benefits-insurance-life and disability	1,737
Benefits-retirement	4,170
Car allowance	11,400
Unvouchered expenses	300

OTHER REPORTS



REGIONS TOWER
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June 29, 2022

To the Board of Directors
Greater Bossier Economic Development Foundation
Bossier City, Louisiana

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater Bossier Economic Development Foundation, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greater Bossier Economic Development Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Bossier Economic Development Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HEARD, MELROY & VESTAL, L.L.C.

Shreveport, Louisiana

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Greater Bossier Economic Development Foundation.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements of Greater Bossier Economic Development Foundation were disclosed during the audit.
4. Greater Bossier Economic Development Foundation was not subject to a Federal Single Audit for the year ended December 31, 2021.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

Not applicable.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

There were no findings and questioned costs from the prior year.

**GREATER BOSSIER ECONOMIC
DEVELOPMENT FOUNDATION**

**STATEWIDE AGREED-UPON
PROCEDURES REPORT**

YEAR ENDED DECEMBER 31, 2021



REGIONS TOWER
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June 29, 2022

Board of Directors
Greater Bossier Economic Development Foundation
574 Boardwalk Blvd
Bossier City, LA 71111

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2021 through December 31, 2021. Management of Greater Bossier Economic Development Foundation is responsible for those C/C areas identified in the SAUPs.

Greater Bossier Economic Development Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

The entity has an adequate policy regarding budgeting.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The entity has an adequate policy regarding the purchasing functions described above. Due to nonprofit status GBEDF is not required to adhere to public bid laws.

- c) **Disbursements**, including processing, reviewing, and approving

The entity has an adequate policy regarding disbursements.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The entity has an adequate policy regarding receipts/collections.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

The entity has an adequate policy regarding payroll/personnel.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The entity has an adequate policy regarding contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The entity has an adequate policy regarding credit cards.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The entity has an adequate policy regarding travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected

officials, annually attest through signature verification that they have read the entity's ethics policy.

Not applicable to Greater Bossier Economic Development Foundation as a non-profit organization.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable to Greater Bossier Economic Development Foundation as a non-profit organization.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity has an adequate IT policy regarding disaster recovery/business continuity.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable to Greater Bossier Economic Development Foundation as a non-profit organization.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The board and executive committee met with a quorum on a frequency in accordance with the entity's bylaws.

- b) For those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

The minutes referenced monthly financial statements that included activity relating to public funds.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
Bank reconciliations were prepared for each account selected, and included evidence of having been prepared within 2 months of the related statement closing date.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No exceptions noted.
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No reconciliation contained reconciling items outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
A listing of deposit sites was obtained from management.
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
This procedure is not applicable since only one employee is responsible for cash collections.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Due to size of entity one employee is responsible for collecting cash, making bank deposits, posting collection entries to the general ledger, and reconciliations related to the collection, deposit, and posting of each item. Compensating control: review by Executive Director and Board.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Due to size of entity one employee is responsible for collecting cash, making bank deposits, posting collection entries to the general ledger, and reconciliations related to the collection, deposit, and posting of each item. Compensating control: review by Executive Director and Board.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Due to size of entity one employee is responsible for collecting cash, making bank deposits, posting collection entries to the general ledger, and reconciliations related to the collection, deposit, and posting of each item. Compensating control: review by Executive Director and Board.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Exception: GBEDF does not have a theft bond covering employees who have access to cash.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Not applicable; GBEDF does not issue receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Not applicable; GBEDF does not issue receipts.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Entity policy is to deposit between three to five business days from collection. No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

A listing of locations was obtained from management.

- 9. For each location selected, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

An employee can initiate a purchase request, which is then approved by the executive director.

- b) At least two employees are involved in processing and approving payments to vendors.

The Contract Accountant processes vendor payments and payments are approved by the Executive Director or, if over \$10,000, by the Executive Committee.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Exception: The Contract Accountant is responsible for processing payments and also has the ability to modify/add vendor files. Changes to the vendor files are not reviewed.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Exception: Checks are mailed by the same individual who is responsible for processing payments.

10. For each location selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

For all selections, no exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exception: For all selections, there is no additional documentation of segregation of duties tested under #9 above.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of all active cards was obtained from management.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Someone other than the cardholder approved, in writing, card selected.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #6 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written

documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

The entity’s transactions were supported, without exception, by (1) an original itemized receipt that identifies exactly what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Exception: One reimbursement selected did not provide documentation of the business/public purpose. All other selections included proper documentation of the business/public purpose.

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions to procedure noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

No amendments to the contracts noted; therefore, this procedure is not applicable.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions to procedure noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained listing from Management and agreed selected employees' salaries and pay rates without exception.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to

earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No leave accrued or taken during the pay period; therefore, this procedure is not applicable.

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Per Management there were no termination payments in the period covered.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Management's representation was obtained covering these statements.

Ethics

Not applicable, since the entity is a nonprofit.

Debt Service

Not applicable, since the entity is a nonprofit.

Fraud Notice

20. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

N/A – no misappropriations of public funds identified during the fiscal period.

21. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

22. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

Not applicable, since the entity is a nonprofit.

We were engaged by Greater Bossier Economic Development Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Greater Bossier Economic Development Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

HEARD, MELROY & VESTAL, L.L.C.

Shreveport, Louisiana