

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.

AUDITED FINANCIAL REPORT

December 31, 2017 and 2016

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# UZEE, BUTLER, ARCENEUX & BOWES

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SOCIETY OF LOUISIANA  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Gretna Economic Development Assn., Ltd.  
Gretna, Louisiana

We have audited the accompanying financial statements of Gretna Economic Development Assn., Ltd. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 auditing 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 from 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 Gretna Economic Development Assn., Ltd. as of December 31, 2017 and 2016, 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.

**Other Matters**

*Other Supplemental 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 or chief executive officer is presented for 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of Gretna Economic Development Assn., Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Gretna Economic Development Assn., Ltd.'s internal control over financial reporting and compliance.



Harvey, Louisiana

June 27, 2018

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2017 and 2016

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Current Assets		
Cash	\$220,080	\$195,856
Accounts Receivable	3,046	9,785
Prepaid Taxes	<u>5,617</u>	<u>7,368</u>
Total Current Assets	<u>228,743</u>	<u>213,009</u>
Property and Equipment		
Furniture and Fixtures	1,101	1,101
Equipment	<u>12,696</u>	<u>12,696</u>
	13,797	13,797
Less: Accumulated Depreciation	<u>(12,601)</u>	<u>(11,804)</u>
Net Property and Equipment	<u>1,196</u>	<u>1,993</u>
<b>TOTAL ASSETS</b>	<u><b>\$229,939</b></u>	<u><b>\$215,002</b></u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
 STATEMENTS OF FINANCIAL POSITION - CONTINUED  
 DECEMBER 31, 2017 and 2016

**LIABILITIES AND NET ASSETS**

	<u>2017</u>	<u>2016</u>
Current Liabilities		
Accounts Payable	\$ 20,397	\$ 120,683
Line of Credit	150,000	-0-
Payroll Taxes Payable	<u>5,781</u>	<u>3,604</u>
Total Current Liabilities	<u>176,178</u>	<u>124,287</u>
Net Assets		
Unrestricted	<u>53,761</u>	<u>90,715</u>
Total Net Assets	<u>53,761</u>	<u>90,715</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>229,939</u></b>	<b>\$ <u>215,002</u></b>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
 STATEMENTS OF ACTIVITIES  
 YEARS ENDED DECEMBER 31, 2017 and 2016

**UNRESTRICTED NET ASSETS**

	<u>2017</u>	<u>2016</u>
<b>Support</b>		
Festival	\$ 1,458,762	\$ 981,391
Grant Income	1,235,000	1,060,000
Dues	2,400	2,800
Farmer's Market	30,270	33,088
Art Walk	16,300	10,245
Special Projects	4,038	9,139
Bingo – GBP	1,298,185	1,542,607
Interest & Dividends	7,128	7,893
Donations, etc.	1,409	22,023
Miscellaneous	<u>46</u>	<u>8</u>
<b>TOTAL SUPPORT</b>	<b><u>4,053,538</u></b>	<b><u>3,669,194</u></b>
<b>Expenses</b>		
Program Services	3,845,502	3,055,341
Supporting Services	<u>244,990</u>	<u>236,484</u>
<b>TOTAL EXPENSES</b>	<b><u>4,090,492</u></b>	<b><u>3,291,825</u></b>
<b>INCREASE(DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>(36,954)</b>	<b>377,369</b>
Unrestricted Net Assets, Beginning of Year	<u>90,715</u>	<u>(286,654)</u>
Unrestricted Net Assets, End of Year	<b><u>\$ 53,761</u></b>	<b><u>\$ 90,715</u></b>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Program Services</b>		
Festival	\$ 2,641,504	\$ 1,628,114
Farmer's Market	24,605	21,158
Art Walk	9,408	7,049
Donations	500	15,695
Special Projects	2,787	5,093
Bingo	<u>1,166,698</u>	<u>1,378,232</u>
<b>TOTAL PROGRAM SERVICES</b>	<u>3,845,502</u>	<u>3,055,341</u>
<b>Supporting Services</b>		
Salaries & Wages	124,519	87,126
Payroll Taxes	10,318	9,621
Advertising	4,298	5,228
Accounting & Tax Prep	12,095	55,398
Bank & Credit Card Fees	5,878	4,392
Insurance	62,513	59,689
Interest	3,412	1,107
Office Supplies	2,765	2,494
Donations	5,500	939
Telephone	3,672	5,343
Utilities	1,373	1,201
Other	2,839	2,673
Depreciation	797	791
Other Taxes	<u>5,011</u>	<u>482</u>
<b>TOTAL SUPPORTING SERVICES</b>	<u>244,990</u>	<u>236,484</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 4,090,492</u>	<u>\$ 3,291,825</u>

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

**GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017 and 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Net Assets	\$ (36,954)	\$ 377,369
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	797	791
(Increase) Decrease in Current Assets:		
Accounts Receivable	6,739	(1,851)
Prepaid Taxes	1,751	2,265
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(100,286)	(485,156)
Payroll Taxes Payable	<u>2,177</u>	<u>(6,508)</u>
Net Cash Provided (Used) by Operating Activities	<u>(125,776)</u>	<u>(113,090)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Furniture & Equipment	<u>-0-</u>	<u>(1,612)</u>
Net Cash Provided (Used) by Investing Activities	<u>-0-</u>	<u>(1,612)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Line of Credit Borrowing	<u>150,000</u>	<u>-0-</u>
Net Cash Provided (Used) by Financing Activities	<u>150,000</u>	<u>-0-</u>
Net Increase (Decrease) in Cash	24,224	(114,702)
Cash, Beginning of Year	<u>195,856</u>	<u>310,558</u>
Cash, End of Year	<u>\$ 220,080</u>	<u>\$ 195,856</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 and 2016

1. SIGNIFICANT ACCOUNTING POLICIES

- A. The financial statements of Gretna Economic Development Assn., Ltd. have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received, and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The Organization has no capital stock.
- B. Business Activity  
Gretna Economic Development Assn., Ltd. was established in 1992 as a nonprofit 501(c)(3) Organization for the purpose of improving the business climate within the City of Gretna, providing a vehicle to assist in the development of new businesses, promoting and encouraging tourism, increasing the number of residents, and enhancing the knowledge of local residents and potential tourists of the City of Gretna. The Organization was also established to assist the underprivileged, to lessen the burdens of government, and to combat community deterioration.
- C. Cash and Cash Equivalents  
The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.
- D. Liquidity and Availability  
All of Gretna Economic Development Assn., Ltd's financial assets are available for general expenditure. As the Organization has no investments, its liquidity and availability are limited to the excess of its bank balances over its obligations. Gretna Economic Development Assn., Ltd. has no financial assets with donor restrictions.
- E. Accounts Receivable  
The Organization, in regards to uncollectible accounts, utilizes the direct write off method. Therefore, no allowance for doubtful accounts is utilized. Management believes this to be the most effective method for purposes of recording uncollectible accounts. There were no bad debts recorded for the year ended December 31, 2017.
- F. Property and Equipment  
Property and equipment are depreciated using the straight-line method over lives varying from 5 years to 10 years for equipment and 40 years for property and related improvements. Acquisitions of property and equipment in excess of \$200 and having a useful life of over one year are capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as structured by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
 NOTES TO FINANCIAL STATEMENTS - continued  
 YEARS ENDED DECEMBER 31, 2017 and 2016

G. Financial Statement Presentation

The financial statements have been prepared in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Organization 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. In addition, the Organization is required to present a statement of cash flows.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those statements.

2. LEASES

The Organization leases a facility for purposes of bingo sessions at a rate determined by the number of sessions. There is no formal written lease agreement.

3. CONTRIBUTED SERVICES

A number of unpaid volunteers have made contributions of their time to the Organization during the year. The value of this contributed time is not reflected in these statements since it is not material and is not susceptible to objective measurement or valuation.

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2017	2016
Sponsorships	\$ -0-	\$ 5,000
Dues	1,385	2,825
Other	1,661	1,960
	\$ 3,046	\$ 9,785

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
NOTES TO FINANCIAL STATEMENTS - continued  
YEARS ENDED DECEMBER 31, 2017 and 2016

5. PROPERTY AND EQUIPMENT

Property and equipment, and depreciation activity for the year ended December 31, 2017 are as follows:

	Balance <u>1-1-17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-17</u>
Furniture & Fixtures	\$ 1,101	\$ -0-	\$ -0-	\$ 1,101
Equipment	<u>12,696</u>	<u>-0-</u>	<u>-0-</u>	<u>12,696</u>
	13,797	-0-	-0-	13,797
Less: Accumulated Depreciation	<u>(11,804)</u>	<u>(797)</u>	<u>-0-</u>	<u>(12,601)</u>
Net Property & Equipment	<u>\$ 1,993</u>	<u>\$ (797)</u>	<u>\$ -0-</u>	<u>\$ 1,196</u>

6. GRANT INCOME

Grant income for the year ended December 31, 2017 was comprised of the following:

City of Gretna	\$ 900,000
Jefferson Parish	<u>335,000</u>
	<u>\$ 1,235,000</u>

7. ON-BEHALF PAYMENTS

The City of Gretna provides the Organization with office space at no charge other than a fee of \$1 per year.

8. ECONOMIC DEPENDENCY

The Organization depends on the City of Gretna and Jefferson Parish for a major portion of its support.

9. INCOME TAXES

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, an information tax return, Form 990 for tax exempt organizations, is required to be filed each year. Corporate income tax is, however, required to be paid on the Form 990T filed annually by the Organization as a result of bingo pull tab profits. The Organization does not have any uncertain tax positions. With few exceptions, the Organization is no longer subject to U. S. federal examinations by tax authorities for the years before 2014.

10. TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets held by the Organization as of December 31, 2017.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
NOTES TO FINANCIAL STATEMENTS - continued  
YEARS ENDED DECEMBER 31, 2017 and 2016

11. THREATENED AND PENDING LITIGATION

Gretna Economic Development Assn., Ltd. is not involved in any litigation, and is not aware of any claims outstanding of a material nature that are not recorded in the financial statements.

12. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of temporary cash investments and trade accounts receivables. The Organization maintains checking accounts at various financial institutions covered by FDIC insurance. There were no bank accounts at December 31, 2017 with balances that exceeded FDIC limitations of \$250,000.

13. COMPENSATED ABSENCES

Because the employees of Gretna Economic Development Assn., Ltd. are currently not reimbursed for unused vacation and sick leave, no provision for compensated absences has been recorded in these financial statements.

14. POST-EMPLOYMENT BENEFITS

At present, there are no former employees of Gretna Economic Development Assn., Ltd. who are receiving post-employment benefits, and any liability due to the Organization's benefit structure is considered to be immaterial.

15. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 27, 2018 which is the date the financial statements were available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements.

**OTHER SUPPLEMENTAL INFORMATION**

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 FOR THE YEAR ENDED DECEMBER 31, 2017

**Agency Head Name:** Anthony Buckley, III

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -0-
Benefits – insurance	-0-
Benefits – retirement	-0-
Benefits – other	-0-
Car Allowance	-0-
Vehicle provided by Organization	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	-0-
	<u>\$ -0-</u>

# UZEE, BUTLER, ARCENEUX & BOWES

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## 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*

To the Board of Directors of  
Gretna Economic Development Assn., Ltd.  
Gretna, Louisiana

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 Gretna Economic Development Assn., Ltd. (a nonprofit organization), which comprise the statements of financial position as December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gretna Economic Development Assn., Ltd.'s internal control over financial reporting 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 Gretna Economic Development Assn., Ltd.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Gretna Economic Development Assn., Ltd.'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements that is more than inconsequential 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. During our audit, we identified a deficiency in internal control that we consider to be a material weakness which is disclosed in the accompanying schedules of current and prior year audit findings and corrective action plan. However, additional material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gretna Economic Development Assn., Ltd.'s financial statements are free of 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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Response to Findings**

Gretna Economic Development Assn., Ltd.'s response to the findings identified in our audit is described in the accompanying schedules of current and prior year audit findings and corrective action plan. Gretna Economic Development Assn., Ltd.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

This report is intended solely for the information and use of Management, the Board of Directors, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised Statute 25.513, this report is distributed by the Legislative Auditor as a public document.

  
Harvey, Louisiana  
June 27, 2018

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2017 and 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Gretna Economic Development Assn., Ltd.
2. A material weakness relating to the audit of the financial statements is reported in the 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. The material weakness results from a lack of adequate segregation of duties within the accounting department of Gretna Economic Development Assn., Ltd. Per Management, the cost-benefit and limited number of personnel in the accounting department do not allow for adequate segregation of duties. However, it is our recommendation that the Board of Directors should closely monitor the day-to-day activities of the Organization. The Management of Gretna Economic Development Assn., Ltd. concurs with this finding.
3. No instances of noncompliance material to the financial statements of Gretna Economic Development Assn., Ltd. are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

See next page.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.  
Gretna, Louisiana

Schedules of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Years Ended December 31, 2017 and 2016

<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/17)						
<u>Internal Control:</u>						
17-01	Unknown	Gretna Economic Development Assn., Ltd. does not have adequate segregation of duties within the Organization's accounting functions.	N/A	Because of the cost-benefit, and limited number personnel performing the Organization's accounting functions, it is not possible to achieve adequate segregation of duties. However, it is our recommendation that the Board of Directors should closely monitor the day-to-day activities of the Organization. The Management of Gretna Economic Development Assn., Ltd. concurs with this finding.	Anthony Buckley, III President	N/A
PRIOR YEAR (12/31/16)						
<u>Internal Control:</u>						
16-01	Unknown	Gretna Economic Development Assn., Ltd. does not have adequate segregation of duties within the Organization's accounting functions.	N/A	Same as above.	Anthony Buckley, III President	N/A

**GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.**  
Gretna, Louisiana

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Year Ended December 31, 2017

# UZEE, BUTLER, ARCENEUX & BOWES

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Directors of  
Gretna Economic Development Assn., Ltd.  
Gretna, Louisiana

We have performed the procedures enumerated below, which were agreed to by Gretna Economic Development Assn., Ltd. and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the period January 1, 2017 through December 31, 2017. Gretna Economic Development Assn., Ltd.'s management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain the Organization's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Organization does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - 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.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts**, including receiving, recording, and preparing deposits.
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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.
- 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, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*Findings: We obtained Gretna Economic Development Assn., Ltd.'s written policies and procedures manual. The policies and procedures manual addresses each of the following financial/business functions as listed above:*

- *Budgeting.*
- *Purchasing.*
- *Disbursements.*
- *Receipts.*
- *Payroll/Personnel.*
- *Contracting.*
- *Credit Cards, Debit Cards, Fuel Cards and P-Cards.*
- *Travel and Expense Reimbursement.*

**Board (or Finance Committee, if applicable)**

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- 2. Obtain and review the board/committee minutes for the period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the period, report whether there is a formal/written plan to eliminate the deficit spending for those Organizations with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the period.

*Findings: We obtained the board minutes from the management of Gretna Economic Development Assn., Ltd., for the period and found that the board met once per month (not always with a quorum) which is in accordance with the board's charter.*

*The minutes frequently referred to financial matters, but did not include monthly budget-to-actual comparisons.*

*In addition, the minutes did reference non-budgetary financial information to show approval of contracts and disbursements for many of the meetings under our review.*

### **Bank Reconciliations**

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the period and report whether:
  - a) Bank reconciliations have been prepared.
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s bank accounts from the client's trial balance. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*We obtained, from the listing, the bank statements and bank reconciliations for each month in the year ended December 31, 2017 for all of the Organization's bank accounts*

*For each month, a reconciliation has been prepared for each account. Our review showed that a member of management reviewed each reconciliation as evidenced by their signature on the bank reconciliation form.*

*Our review found that not all of the old outstanding items were researched and written off by year end. A recommendation was made that this procedure be done in the future.*

### Collections

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5. Obtain a listing of cash/check/money order collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the Organization's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Organization has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the period and:
    - Using the Organization's collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, and other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the Organization has a process specifically defined (identified as such by the Organization) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

*Findings: We obtained a listing of all cash collection locations for Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*Gretna Economic Development Assn., Ltd's collection locations are the Gretna Heritage Festival, the Gretna Framers' Market, the Franklin Street Bingo Hall, the Gretna Art Walk, and the Organization's office. We selected all five collection locations for examination.*

*Upon our inspection, those persons responsible for collecting cash were not bonded. Many were also responsible for depositing the cash in the bank and recording the related transactions. Controls over the cash trays used at the Gretna Heritage Festival were not necessarily limited to only one cashier.*

*The Organization does have a formal process to reconcile cash collections to the general ledger by source. However, the person reconciling the cash to the general ledger is not always an independent individual who is not responsible for the cash collection location.*

*Our review found that the festival deposits were made within one day of collection. Deposits for the other four collection locations were not always made within one day of collection. The number of days varies, but the deposits were always made within three days of collection.*

*Sequentially numbered receipt slips are not utilized, but sufficient documentation existed to verify daily cash collections. Additional safeguards are recommended to be reviewed for this area.*

*We examined documentation to determine that the Organization has a process to ensure the completeness of all collections by a person who is not responsible for collections. This was found to not be the case at all collection locations and a recommendation was made to review this area for improvement.*

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card Purchases or payments)**

8. Obtain a listing of the Organization's disbursements from management or, alternately, obtain the general ledger and sort/filter for the Organization's disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Organization had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for the purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using the Organization's documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Organization's purchasing/disbursement system.
  11. Using the Organization's documentation (e.g., electronic system control documentation, policy manual, written procedure) report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
  12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review the Organization's documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
  13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s disbursements from the Organization's check registers. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*We selected more than 25 disbursements from the above check registers and obtained supporting documentation for each transaction.*

*After reviewing the disbursements, we found that the transactions were not initiated using a requisition/purchase order system which separates initiation from approval functions. A recommendation was made to begin using a requisition/purchase order system for both office and festival requisitions.*

*We also found that the purchases were not always approved by a person who did not initiate the purchase. A recommendation was made that, in the future, this system of approval be implemented.*

*As a result of the above, payments for the purchases were processed without an approved requisition or purchase order in many cases. However, many purchases reviewed from the festival did indicate approval (in many cases, two individuals) which showed receipt and approval of the invoice. In some cases, an approval stamp was used to formalize this approval and receipt acknowledgement purpose. A recommendation was made that this approval stamp be used in all cases where practical.*

*We reviewed procedures for processing payments and adding vendors. We found that both the director and the administrative assistant are able to add vendors to the Organization's disbursement system. However, neither of these individuals are allowed to sign checks. In addition, two signatures are required on all disbursements.*

*Regarding persons with signatory authority having authorization for initiating purchases, we found that anyone can initiate a purchase. Our recommendation above of implementing a purchase order system would formalize the responsible person who initiates a purchase. However, due to the size of the limited staff of the Organization it may not be practical or possible to achieve this separation.*

*Our review found that the supply of unused checks is maintained in a locked drawer with access only to individuals that do not have signatory authority.*

*Our examination found that a signature stamp or signature machine is not used. Our examination of control over checks which are already signed found that the signed checks are not maintained under the control of the signer until mailed. The individual signing checks in the future should ensure that checks are mailed immediately.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, 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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Organization has less than 10 cards) that were used during the period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased).
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e. g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Organization's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the Organization's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Findings: We obtained a listing of Gretna Economic Development Assn., Ltd's credit cards and fuel cards accounts and the individuals authorized to use those cards. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*The Organization has two Mastercards and an Office Depot card. The Organization does not have any debit cards, fuel cards, or P-cards. The Mastercards are used for office and festival expenses by the Director and a board member. The Office Depot card is used for office supplies by the administrative assistant with the Director's approval.*

*We selected all three of the credit cards and obtained the monthly statements. Rather than review the largest dollar volume, we reviewed all transactions and found that some of the months examined lacked approval. Our recommendation is to use an approval stamp to evidence proper approval by someone other than the authorized card holder.*

*A review of the statements found that finance charges were assessed on one statement reviewed.*

*Our examination found that all credit card transactions contained the appropriate itemized receipt. However, we found that the transactions did not document the business purpose.*

*The transactions tested appear to be in compliance with the Organization's purchasing policies as well as the Louisiana Public Bid Law.*

*For each transaction tested, the disbursement appears to be in compliance with Article 7, Section 14 of the Louisiana Constitution.*

### **Travel and Expense Reimbursement**

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the Organization's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U. S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Organization does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt].
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) Compare the Organization's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Findings: We have obtained a listing of all travel and related expense reimbursements by person from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*For each transaction reviewed, the disbursements tested appear to be within the guidelines set forth by the U. S. General Services Administration (GSA).*

*We selected the individuals who incurred the most expense reimbursements and compared their reimbursements to established policies and rates. All reimbursements were proper and were supported by invoices and receipts. No travel expenses were found to be reimbursed.*

*Our examination found that all expense reimbursements contained the appropriate itemized receipt. However, we found that the transactions did not document the business purpose.*

*In our review, we found that the organization adheres to the requirements of Article 7, Section 14 of the Louisiana Constitution.*

*Our review found that each expense reimbursement was reviewed and approved in writing by someone other than the person receiving reimbursement.*

### Contracts

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20. Obtain a listing of all contracts in effect during the period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Law or Procurement Code, and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Organization complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
  - If no, obtain supporting contract documentation and report whether the Organization solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

*Findings: We obtained a listing of all contracts in effect during the year ended December 31, 2017 from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*During our examination, we selected the five contract vendors that received the largest payments during the period. All services examined had a formal written contract in place and the services and the amounts paid were properly supported.*

*Our examination found that either the Louisiana Public Bid Law or the Organization's purchasing guidelines (which sometimes include obtaining quotes) were followed.*

*We found that there were no amendments to the contracts selected.*

*We examined the largest payment on each of the five contracts selected and examined the invoices. The amounts agreed to the terms and conditions of the contracts without exception.*

*We also found that approval by the board for each contract was included in the board minutes of the Organization.*

### **Payroll and Personnel**

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22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees (or randomly select one-third of employees if the entity had less than 25 employees during the period), and:
  - a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.
24. Obtain from management a list of those employees that terminated during the period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the period and obtain the personnel files for the two employees. Report whether the termination payments were made in strict accordance with the policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Findings: We obtained a listing of all employees and their related salaries from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2018.*

*We reviewed the salaries paid to the employees selected and found that these payments were made in accordance with the employment pay rate structure. We found no changes during our review to the pay rates selected.*

*We also reviewed attendance and leave records and found that the daily attendance was properly documented. There is no leave, vacation, sick, or compensatory time in connection with the employees selected for our review.*

*We also found, during our review, that there was supervisor approval in writing of the attendance and leave of the selected employees.*

*As a result of our review, we found that one employee terminated his employment during the period we tested. The terminated employee was an hourly, part-time bingo worker who did not accrue benefits such as vacation, sick or compensatory time.*

*Our review showed that payroll taxes and the required reporting forms were submitted to the applicable agencies by the required deadlines.*

#### ***Other***

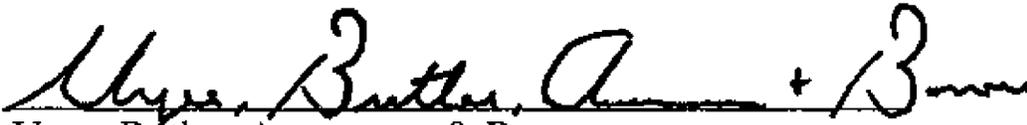
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26. Inquire of management whether the Organization had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Organization reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
27. Observe and report whether the Organization has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
28. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*Findings: The management of Gretna Economic Development Assn., Ltd. has indicated that there were no cases where funds or property of Gretna Economic Development Assn., Ltd.'s office have been misappropriated. The notice required by R.S. 24:523.1 regarding the reporting of waste or fraud is posted on their premises.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the Statewide Agreed-Upon Procedures. 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.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed-Upon Procedures, 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 Louisiana Legislative Auditor as a public document.



Uzee, Butler, Arceneux & Bowes  
Certified Public Accountants  
Harvey, Louisiana

June 27, 2018