

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.

AUDITED FINANCIAL REPORT

December 31, 2018 and 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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 19, 2019 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 19, 2019

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2018 and 2017

ASSETS	<u>2018</u>	<u>2017</u>
Current Assets		
Cash	\$115,967	\$220,080
Accounts Receivable	2,424	3,046
Prepaid Taxes	<u>5,700</u>	<u>5,617</u>
Total Current Assets	<u>124,091</u>	<u>228,743</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>(13,079)</u>	<u>(12,601)</u>
Net Property and Equipment	<u>718</u>	<u>1,196</u>
TOTAL ASSETS	<u>\$124,809</u>	<u>\$229,939</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2018 and 2017

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
Current Liabilities		
Accounts Payable	\$ 238,339	\$ 20,397
Line of Credit	236,873	150,000
Payroll Taxes Payable	<u>3,792</u>	<u>5,781</u>
Total Current Liabilities	<u>479,004</u>	<u>176,178</u>
Net Assets		
Without Donor Restrictions	<u>(354,195)</u>	<u>53,761</u>
Total Net Assets	<u>(354,195)</u>	<u>53,761</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>124,809</u>	\$ <u>229,939</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
 STATEMENTS OF ACTIVITIES
 YEARS ENDED DECEMBER 31, 2018 and 2017

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

	<u>2018</u>	<u>2017</u>
Revenue and Other Support		
Festival	\$ 723,009	\$ 1,458,762
Grant Income	750,000	1,235,000
Dues	2,690	2,400
Farmer's Market	29,458	30,270
Art Walk	11,920	16,300
Special Projects	5,865	4,038
Bingo – GBP	1,045,586	1,298,185
Interest & Dividends	5,974	7,128
Donations, etc.	1,751	1,409
Miscellaneous	<u>1,592</u>	<u>46</u>
TOTAL SUPPORT	<u>2,577,845</u>	<u>4,053,538</u>
Expenses		
Program Services	2,737,334	3,845,502
Administrative Services	<u>248,467</u>	<u>244,990</u>
TOTAL EXPENSES	<u>2,985,801</u>	<u>4,090,492</u>
INCREASE(DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(407,956)	(36,954)
Net Assets Without Donor Restrictions, Beginning of Year	<u>53,761</u>	<u>90,715</u>
Net Assets Without Donor Restrictions, End of Year	\$ <u>(354,195)</u>	\$ <u>53,761</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2018 and 2017

	December 31, 2018			December 31, 2017		
	Program Services	Administrative Services	Total	Program Services	Administrative Services	Total
Festival	\$1,768,592	\$ -0-	\$1,768,592	\$2,641,504	\$ -0-	\$2,641,504
Bingo	935,675	-0-	935,675	1,166,698	-0-	1,166,698
Farmers Market	17,266	-0-	17,266	24,605	-0-	24,605
Art Walk	11,179	-0-	11,179	9,408	-0-	9,408
Donations	830	-0-	830	500	-0-	500
Special Projects	3,792	-0-	3,792	2,787	-0-	2,787
Salaries & Wages	-0-	122,425	122,425	-0-	124,519	124,519
Payroll Taxes	-0-	7,185	7,185	-0-	10,318	10,318
Advertising	-0-	8,028	8,028	-0-	4,298	4,298
Accounting & Tax Prep	-0-	15,435	15,435	-0-	12,095	12,095
Bank & Credit Card Fees	-0-	4,944	4,944	-0-	5,878	5,878
Insurance	-0-	56,451	56,451	-0-	62,513	62,513
Interest	-0-	15,939	15,939	-0-	3,412	3,412
Office Supplies	-0-	2,541	2,541	-0-	2,765	2,765
Donations	-0-	1,500	1,500	-0-	5,500	5,500
Telephone	-0-	2,339	2,339	-0-	3,672	3,672
Utilities	-0-	1,526	1,526	-0-	1,373	1,373
Other	-0-	9,676	9,676	-0-	2,839	2,839
Depreciation	-0-	478	478	-0-	797	797
Other Taxes	-0-	-0-	-0-	-0-	5,011	5,011
Total Expenses	<u>\$2,737,334</u>	<u>\$ 248,467</u>	<u>\$2,985,801</u>	<u>\$3,845,502</u>	<u>\$ 244,990</u>	<u>\$4,090,492</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, 2018 and 2017

CASH FLOWS FROM OPERATING ACTIVITIES

	2018	2017
Increase (Decrease) in Net Assets	\$ (407,956)	\$ (36,954)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	478	797
(Increase) Decrease in Current Assets:		
Accounts Receivable	622	6,739
Prepaid Taxes	(83)	1,751
Increase (Decrease) in Current Liabilities:		
Accounts Payable	217,942	(100,286)
Payroll Taxes Payable	<u>(1,989)</u>	<u>2,177</u>
Net Cash Provided (Used) by Operating Activities	<u>(190,986)</u>	<u>(125,776)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Furniture & Equipment	-0-	-0-
Net Cash Provided (Used) by Investing Activities	-0-	-0-

CASH FLOWS FROM FINANCING ACTIVITIES

Line of Credit Borrowing	129,873	150,000
Line of Credit Payments	<u>(43,000)</u>	<u>-0-</u>
Net Cash Provided (Used) by Financing Activities	<u>86,873</u>	<u>150,000</u>
Net Increase (Decrease) in Cash	(104,113)	24,224
Cash, Beginning of Year	<u>220,080</u>	<u>195,856</u>
Cash, End of Year	<u>\$ 115,967</u>	<u>\$ 220,080</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, 2018 and 2017

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. FASB Update to Topic 958 (ASU 2016-14)

Effective January 1, 2018, the Organization implemented the requirements of Financial Accounting Standards Board update to Topic 958 (ASU 2016-14), "*Presentation of Financial Statements of Not-for-Profit Entities*". The provisions of this update require not-for-profit entities to:

1. Present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the previously required three classes. That is, not-for-profits will report amounts for net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets.
2. Present on the face of the statement of activities the amount of the change to each of the two classes of net assets rather than that of the previously required three classes. A not-for-profit would continue to report the amount of the change in total net assets.
3. Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method.
4. Provide the following enhanced disclosures about:
 - a. Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions as of the end of the period.
 - b. Composition of net assets with donor restrictions at the end of the period and how the restrictions affect the use of resources.
 - c. Qualitative information that communicates how a not-for-profit manages its liquid resources available to meet cash needed for general expenditures within one year of the balance sheet date.
 - d. Quantitative information, either on the face of the balance sheet or in the notes, and additional qualitative information in the notes as necessary, that communicates the availability of a not-for-profit's financial assets at the balance sheet date to meet cash needs for general expenditures within one year of the balance sheet date. Availability of a financial asset may be affected by (1) its nature, (2) external limits imposed by donors, grantors, laws, and contracts with others, and (3) internal limits imposed by governing board decisions.
 - e. Amounts of expenses by both their natural classification and their functional classification. That analysis of expenses is to be provided in one location, which could be on the face of the statement of activities, as separate statements, or in notes to the financial statements.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2018 and 2017

B. FASB Update to Topic 958 (ASU 2016-14) – continued

- f. Method(s) used to allocate costs among program and support functions.
 - g. Underwater endowment funds, which include required disclosures of (1) a not-for-profit's policy, and any actions taken during the period, concerning appropriation from underwater endowment funds, (2) the aggregate fair value of such funds, (3) the aggregate of the original gift amounts (or level required by donor or law) to be maintained, and (4) the aggregate amount by which funds are underwater (deficiencies), which are to be classified as part of net assets with donor restrictions.
5. Report investment return net of external and direct internal investment expenses and no longer required disclosure of those netted expenses.
6. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify an amount from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor imposed restriction over the estimated useful life of the acquired asset).

Due to the implementation for the required provisions above, the Organization reclassified unrestricted net assets at January 1, 2018 of \$53,761 to net assets without donor restrictions.

C. 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.

D. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

E. Liquidity and Availability

The Organization has \$115,967 of cash in bank available within one year of the date of the statement of financial position to meet cash needs for general expenditures. Cash in bank is not subject to donor or other contractual restrictions that make it unavailable for general expenditures within one year of the date of the statement of financial position. 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 a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Gretna Economic Development Assn., Ltd. has no financial assets with donor restrictions.

F. Restricted Deposits

The Organization does not have any deposits that are restricted in use and that are not available for operating purposes at December 31, 2018 and 2017.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2018 and 2017

G. 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, 2018.

H. 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.

I. Contributions

Donor-restricted support whose restrictions are met in the same reporting period as the support recognized is reported as net assets without donor restrictions.

J. 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" and Financial Accounting Standards Board Update to Topic 958 (ASU 2016-14), "Presentation of Financial Statements for Not-for-Profit Entities". Under SFAS No. 117 and Update to Topic 958 (ASU 2016-14), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

K. 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.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2018 and 2017

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2018	2017
Dues	1,225	1,385
Other	1,199	1,661
	\$ 2,424	\$ 3,046

5. PROPERTY AND EQUIPMENT

Property and equipment, and depreciation activity for the year ended December 31, 2018 are as follows:

	Balance 1-1-18	Additions	Deletions	Balance 12-31-18
Furniture & Fixtures	\$ 1,101	\$ -0-	\$ -0-	\$ 1,101
Equipment	12,696	-0-	-0-	12,696
	13,797	-0-	-0-	13,797
Less: Accumulated Depreciation	(12,601)	(478)	-0-	(13,079)
Net Property & Equipment	\$ 1,196	\$ (478)	\$ -0-	\$ 718

6. LINE OF CREDIT

The Organization has a line of credit with a maturity date of August 26, 2019 and bears an interest rate of 8.25%. The balance on the line of credit at December 31, 2018 was \$236,873.

7. GRANT INCOME

Grant income for the year ended December 31, 2018 was comprised of the following:

City of Gretna	\$ 650,000
Jefferson Parish	100,000
	\$ 750,000

8. ON-BEHALF PAYMENTS

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

9. ECONOMIC DEPENDENCY

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2018 and 2017

10. 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 2015.

11. NET ASSETS WITH DONOR RESTRICTIONS

The Organization does not have any net assets with donor restrictions on the use of the assets at December 31, 2018 and 2017.

12. TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets held by the Organization as of December 31, 2018.

13. 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.

14. 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, 2018 with balances that exceeded FDIC limitations of \$250,000.

15. 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.

16. 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.

17. FUNCTIONAL BASIS PRESENTATION

Expenditures incurred in connection with administrative services and program services have been summarized on a functional basis in the statement of functional expenses according to Financial Accounting Standards Board Update to Topic 958 (ASU 2016-14), "*Presentation of Financial Statements of Not-for-Profit Entities*".

18. 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 19, 2019 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, 2018

Agency Head Name: Mark Middleton

Purpose	Amount
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>

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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, 2018 and 2017, 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 19, 2019.

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 19, 2019

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2018 and 2017

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, 2018 and 2017

<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 (12/31/18)						
<u>Internal Control:</u>						
18-01	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.	Mark Middleton President	N/A
PRIOR 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	Same as above.	Mark Middleton President	N/A

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
Gretna, Louisiana

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Year Ended December 31, 2018

UZEE, BUTLER, ARCENEUX & BOWES

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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, 2018 through December 31, 2018. 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 and inspect the Organization's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Organization's operations):
 - 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/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).
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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 annually attest through signature verification that they have read the Organization's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: We obtained Gretna Economic Development Assn., Ltd.'s written policies and procedures manual. The policies and procedures manual addresses each of the following categories and subcategories as listed above, except budgeting, ethics, and debt service which are not applicable to Gretna Economic Development Assn., Ltd:

- *Budgeting (not applicable).*
- *Purchasing.*
- *Disbursements.*
- *Receipts/Collections.*
- *Payroll/Personnel.*
- *Contracting.*
- *Credit Cards, Debit Cards, Fuel Cards and P-Cards.*
- *Travel and Expense Reimbursement.*
- *Ethics (not applicable).*
- *Debt Service (not applicable).*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the 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.
 - b) For those Organizations reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those Organizations reporting on the non-profit 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 Organization's collections during the year.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: We obtained and inspected the board minutes and the Organization's charter from the management of Gretna Economic Development Assn., Ltd. for the period.

Our examination found that the board met once per month (always with a quorum). This procedure is in accordance with the Organization's charter.

The minutes frequently referred to financial matters, but did not include monthly budget-to-actual comparisons. The minutes, in the some instances, also included reference to financial activity relating to public funds. A recommendation was made to include the discussion of public funds as much as possible to produce a written record of discussion.

The section above relating to governmental entities does not apply to Gretna Economic Development Assn., Ltd. because the Organization is a non-profit entity.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the 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, electronically logged).
- 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).
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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 19, 2019.

We obtained, from the listing, the bank statements and bank reconciliations for each month in the period for all of the Organization's bank accounts. We selected all months in the period to examine, and obtained and inspected the corresponding bank statements and reconciliations on all accounts.

For each month, a reconciliation has been prepared for each account, but the reconciliation was not always prepared within two months of the related statement closing date. A recommendation was made that all bank reconciliations in the future be prepared within two months of the statement closing date.

Our examination showed that a member of management reviewed each reconciliation as evidenced by their signature on the bank statement. This member of management does not handle cash, post ledgers, or issue checks. A recommendation was made that a member of management also review and sign each reconciliation form in the future as evidence of their review and approval.

Our examination 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

4. Obtain a listing of deposit sites for the period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
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 that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee is responsible for reconciling ledger postings to each other and to the deposit.
 - 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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We obtained a listing of all deposit sites and collection locations for Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 19, 2019.

Gretna Economic Development Assn., Ltd's collection locations are the Gretna Heritage Festival, the Gretna Farmers' Market, the Franklin Street Bingo Hall, the Gretna Art Walk, and the Organization's office. We selected all five collection locations for examination. We obtained and inspected written policies and procedures relating to job duties and observed the segregation of job duties at each collection location.

Our examination found that controls over the cash trays at the Gretna Heritage Festival were not necessarily limited to only one cashier. A recommendation was made that employees who are responsible for collections do not share cash trays.

We also found that many of the persons responsible for collecting funds were also responsible for depositing the funds in the bank and recording the related transactions. A recommendation was made to segregate these job duties.

The Organization does have a formal process to reconcile collections to the general ledger. However, the person reconciling the deposits to the general ledger is not always an independent individual who is not responsible for the collections. A recommendation was made to segregate these job duties.

Our inspection found that those persons responsible for collecting cash were not covered by a bond or insurance policy for theft. A recommendation was made that all persons responsible for collecting cash be bonded or an insurance policy for theft be purchased.

We selected two deposits from each of the Organization's bank accounts and obtained supporting documentation.

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

Collections were traced to the deposit slips and the deposit slips totals were traced to the bank statements. All collections were properly recorded on the deposit slips and bank statements.

Our examination 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.

The deposits on the bank statements were traced to the general ledger. All deposits examined were properly recorded and accounted for.

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

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

9. For each location selected under #8 above, 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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - d) Either the employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the Organization's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s locations that process payments from the Organization's management. Management stated that this listing is complete in their management representation letter dated June 19, 2019.

For our inspection, we selected all of the Organization's disbursement locations and obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to the employees' job duties and observed whether the job duties were properly segregated.

For the locations inspected, we found that at least two employees were not always involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. A recommendation was made to use a requisition/purchase order system which would mandate two employees to be involved in the order process.

We also found that the purchases were not always processed and approved by a person who did not initiate the purchase. In some cases, an approval stamp was used to formalize the approval of the disbursement. A recommendation was made that this approval stamp be used in all cases where practical to approve a disbursement before processing. The Organization does have a system of requiring two signatures from any of the four board members on all disbursements, which mandates two employees to be involved in the process of processing and approving payments to vendors.

During our inspection of 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.

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 checks are mailed by a separate employee, but this employee is also responsible for processing payments. The individual signing checks in the future should ensure that checks are mailed immediately and not handled by an employee who has responsibility for processing payments.

We selected more than 25 disbursements from the Organization's non-payroll disbursement transaction population and obtained supporting documentation.

All disbursements matched the related invoices. The invoices were marked and approved with a signature stamp which segregates the approval and payment functions.

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 for the 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the 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, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 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).

Findings: We obtained a listing of Gretna Economic Development Assn., Ltd's credit cards accounts and the individuals who maintained possession of the cards. Management stated that this listing is complete in their management representation letter dated June 19, 2019.

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 of the credit cards and obtained the monthly statements. We examined all transactions and found that some of the months examined lacked approval. Our recommendation is to use an approval stamp to evidence proper review and approval by someone other than the authorized card holder.

Our examination of the statements found that no finance charges or late fees were assessed on the credit card statements.

We selected ten transactions from each credit card statement examined above and obtained supporting documentation.

Our examination found that some of the credit card transactions lacked the appropriate itemized receipt. We found that the transactions did not document the business/public purpose and the receipts for meals did not include a list of the attendees. A recommendation was made to include an itemized receipt for all credit card purchases and to include the business/public purpose and list of attendees for meals on all documentation in the future.

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 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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U. S. General Services Administration (www.gsa.gov).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We have obtained a listing of all travel and travel-related expense reimbursements from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 19, 2019.

For our examination, we randomly selected five reimbursements, obtained related expense reimbursement forms, and supporting documentation.

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

All reimbursements were proper and were supported by invoices and receipts. No meals expenses were found to be reimbursed.

Our examination found that all expense reimbursements contained the appropriate itemized receipt and other documentation required by written policy. However, we found that the transactions did not document the business/public purpose. A recommendation was made to include the business/public purpose on all documentation in the future.

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

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 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.
- 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).
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the 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 agree to the terms and conditions of the contract.

Findings: We obtained a listing of all agreements/contracts that were initiated or renewed during the period from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 19, 2019.

For our examination, we selected five contract vendors that received 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 also found that approval by the board for each contract was included in the board minutes of the Organization.

No amendments to the contracts selected were found.

We examined one payment from each of the five contracts selected above and obtained the supporting invoices. The invoices and payments agreed to the terms and conditions of the contracts.

Payroll and Personnel

16. Obtain a listing of employees who were employed during the period and management's representation that the listing is complete. Randomly select five employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the period. For the 5 employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- b) Observe that supervisors approved the attendance and leave of the selected employees.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records.
18. Obtain a listing of those employees that received termination payments during the period and management's representation that the list is complete. Randomly select two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and worker's compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: We obtained a listing of all employees who were employed during the period from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 19, 2019.

We selected five employees, obtained their related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files. We found that these payments were made in accordance with the Organization's employment pay rate structure.

We selected one pay period during the period and obtained attendance records. We found that daily attendance was properly documented. There is no leave, vacation, sick, or compensatory time in connection with the employees of Gretna Economic Development Assn., Ltd.

Our examination found that one employee terminated his employment during the period. The terminated employee was a part-time bingo worker who did not accrue benefits such as vacation, sick, or compensatory time, but was paid for his services in accordance with the Organization's policy.

Management stated that all of the employer and employee portions of payroll taxes and workers' compensation premiums were paid, and the associated forms were filed by the required deadlines, in their management representation letter dated June 19, 2019. We obtained copies of Gretna Economic Development Assn., Ltd.'s payroll tax reports and records of their payroll tax payments. All were processed and paid on a timely basis. We also examined the check vouchers and reports, and verified that worker's compensation premiums were paid timely. The Organization does not provide health insurance or retirement for its employees.

Ethics

20. Using the 5 randomly selected employees from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates that each employee completed one hour of ethics training during the period.
 - b) Observe that the documentation demonstrates that each employee attested through signature verification that he or she has read the Organization's ethics policy during the period.

Findings: This section is not applicable to Gretna Economic Development Assn., Ltd. because the Organization is a non-profit entity.

Debt Service

21. Obtain a listing of bond/notes issued during the period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bond/notes outstanding at the end of the period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Findings: This section is not applicable to Gretna Economic Development Assn., Ltd. because the Organization is a non-profit entity.

Other

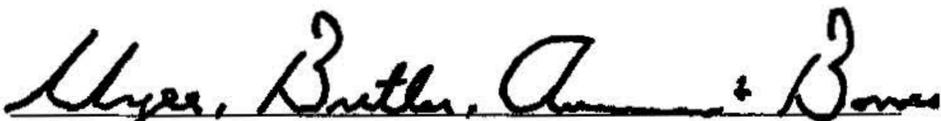
23. Obtain a listing of misappropriations of public funds and assets during the period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Organization reported the misappropriation(s) to the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

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 misappropriation, fraud, waste, or abuse of public funds is posted on their premises. A recommendation was made that the notice required by R.S. 24:523.1 be posted on the Organization's website or a link provided that directs the user to the Louisiana Legislative Auditor's site regarding the reporting of fraud.

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 19, 2019



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June 19, 2019

Independent Accountant's Report on Applying Agreed-Upon Procedures
Management Response

Year Ended December 31, 2018

1) BOARD OR FINANCE COMMITTEE

Procedure #2b:

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

b) For those Organizations reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those Organizations reporting on the non-profit 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 Organization's collections during the year.

FINDING

The minutes frequently referred to financial matters, but did not include monthly budget-to-actual comparisons. The minutes, in some instances, also included reference to financial activity relating to public funds. A recommendation was made to include the discussion of public funds as much as possible to produce a written record of discussion.

MANAGEMENT'S RESPONSE

We will ensure that all board meeting minutes for all months reference the board's discussion of financial activity relating to public funds for that month.

2) BANK RECONCILIATIONS

A. Procedure #3a:

3. Obtain a listing of client bank accounts for the period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the 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, electronically logged).

FINDING

For each month, a reconciliation has been prepared for each account, but the reconciliation was not always prepared within two months of the related statement closing date. A recommendation was made that all bank reconciliations in the future be prepared within two months of the statement closing date.

MANAGEMENT'S RESPONSE

We will ensure that all bank reconciliations are prepared within two months of the statement closing date.

B. Procedure #3b:

3. Obtain a listing of client bank accounts for the period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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).

FINDING

Our examination showed that a member of management reviewed each reconciliation as evidenced by their signature on the bank statement. This member of management does not handle cash, post ledgers, or issue checks. A recommendation was made that a member of management also review and sign each reconciliation form in the future as evidence of their review and approval.

MANAGEMENT'S RESPONSE

We will ensure that a member of management review both the bank statement and bank reconciliation forms in the future as evidence of their review and approval.

C. Procedure #3c:

3. Obtain a listing of client bank accounts for the period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all if less than 5). Randomly select one month from the period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

FINDING

Our examination 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.

MANAGEMENT'S RESPONSE

We will ensure that all old outstanding items on the bank reconciliations are researched and written off by year end.

3) COLLECTIONS

A. Procedure #5a:

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 that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

FINDING

Our examination found that controls over the cash trays at the Gretna Heritage Festival were not necessarily limited to only one cashier. A recommendation was made that employees who are responsible for collections do not share cash trays.

MANAGEMENT'S RESPONSE

We will continue to strive to find a way that volunteers who are responsible for collections do not share cash trays.

B. Procedures #5b & 5c:

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 that:
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee is responsible for reconciling ledger postings to each other and to the deposit.

FINDING

We also found that many of the persons responsible for collecting funds were also responsible for depositing the funds in the bank and recording the related transactions. A recommendation was made to segregate these job duties.

MANAGEMENT'S RESPONSE

We will ensure that the persons responsible for collecting funds are not also responsible for depositing the funds in the bank and recording the related transactions.

C. Procedure #5d:

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 that:

- 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 verifies the reconciliation.

FINDING

The Organization does have a formal process to reconcile collections to the general ledger. However, the person reconciling the deposits to the general ledger is not always an independent individual who is not responsible for the collections. A recommendation was made to segregate these job duties.

MANAGEMENT'S RESPONSE

We will ensure that the persons reconciling cash collections to the general ledger are not responsible for the collection of funds.

D. Procedure #6:

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

FINDING

Our inspection found that those persons responsible for collecting cash were not covered by a bond or insurance policy for theft. A recommendation was made that all persons responsible for collecting cash be bonded or an insurance policy for theft be purchased.

MANAGEMENT'S RESPONSE

We will investigate the cost and benefit of obtaining a bond or insurance policy for theft on all persons responsible for collecting cash.

4) NON-PAYROLL DISBURSEMENTS

A. Procedure #9a:

9. For each location selected under #8 above, 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.

FINDING

For the locations inspected we found that at least two employees were not always involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. A recommendation was made to develop a requisition form which would mandate two employees to be involved in the order process.

MANAGEMENT'S RESPONSE

We will ensure that a requisition form is used that will require two employees be involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

B. Procedure #9b:

9. For each location selected under #8 above, 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:

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

FINDING

We also found that the purchases were not always processed and approved by a person who did not initiate the purchase. In some cases, an approval stamp was used to formalize the approval of the disbursement. A recommendation was made that this approval stamp be used in all cases where practical to approve a disbursement before processing. The Organization does have a system of requiring two signatures from any of the four board members on all disbursements, which mandates two employees to be involved in the process of processing and approving payments to vendors.

MANAGEMENT'S RESPONSE

We will ensure that at least two employees are involved in processing and approving payments to vendors.

C. Procedure #9d:

9. For each location selected under #8 above, 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:
 - d) Either the employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

FINDING

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 checks are mailed by a separate employee, but this employee is also responsible for processing payments. The individual signing checks in the future should ensure that checks are mailed immediately and not handled by an employee who has responsibility for processing payments.

MANAGEMENT'S RESPONSE

We will ensure that all signed checks are mailed immediately by the signer or another employee who does not have the responsibility for processing payments.

5) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

A. Procedure #12a:

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the 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, by someone other than the authorized card holder.

FINDING

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

MANAGEMENT'S RESPONSE

We will ensure that all monthly credit card statements show evidence that the statements were reviewed and approved, in writing, by someone other than the authorized card holder.

B. Procedure #13:

13. Using the monthly statements or combined statements selected under #12 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).

FINDING

Our examination found that some of the credit card transactions lacked the appropriate itemized receipt. We found that the transactions did not document the business/public purpose and the receipts for meals did not include a list of the attendees. A recommendation was made to include an itemized receipt for all credit card purchases and to include the business/public purpose and list of attendees for meals on all documentation in the future.

MANAGEMENT'S RESPONSE

We will ensure that an itemized receipt is included on all credit card purchases and the business/public purpose and list of attendees for meals is included with all documentation.

6) TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS

Procedure #14c:

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the 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:
 - 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).

FINDING

Our examination found that all expense reimbursements contained the appropriate itemized receipt and other documentation required by written policy. However, we found that the transactions did not document the business/public purpose. A recommendation was made to include the business/public purpose on all documentation in the future.

MANAGEMENT'S RESPONSE

We will ensure that the business/public purpose is included on all travel and travel-related documentation in the future.

7) OTHER

Procedure #24:

24. Observe that the Organization 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.

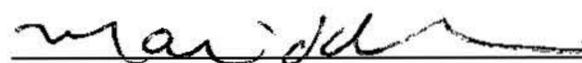
FINDING

The notice required by R.S. 24:523.1 regarding the reporting of misappropriation, fraud, waste, or abuse of public funds is posted on their premises. A recommendation was made that the notice required by R.S. 24:523.1 be posted on the Organization's website or a link provided that directs the user to the Louisiana Legislative Auditor's site regarding the reporting of fraud.

MANAGEMENT'S RESPONSE

We will ensure that the notice required by R.S. 24:523.1 is posted on the Organization's website or a link provided that directs the user to the Louisiana Legislative Auditor's site regarding the reporting of fraud.

Respectfully submitted,



Mark Middleton
President