# Brookshire Grocery Arena Fund

A Special Revenue Fund of the City of Bossier City, Louisiana

**Financial Statements and Schedules**

December 31, 2025

(With Independent Auditor's Reports Thereon)

HMV

CERTIFIED PUBLIC ACCOUNTANTS

**BROOKSHIRE GROCERY ARENA FUND**

**A SPECIAL REVENUE FUND OF THE CITY OF BOSSIER CITY, LOUISIANA**

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REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

The Honorable Members of the City Council and the
Honorable Thomas H. Chandler, Mayor
City of Bossier City, Louisiana

**INDEPENDENT AUDITOR'S REPORT**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the Brookshire Grocery Arena Fund, a special revenue fund of the City of Bossier City, Louisiana, (the Arena) as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the Arena's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Brookshire Grocery Arena Fund, a special revenue fund of the City of Bossier City, Louisiana, as of December 31, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Emphasis of Matter***

*Reporting Entity*

As discussed in Note 1, the financial statements present only the Brookshire Grocery Arena Fund and do not purport to, and do not, present fairly the financial position of the City of Bossier City, Louisiana, as of December 31, 2025, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Prior Period Adjustment*

As discussed in Note 5 to the financial statements, management identified accrued expenses totaling $159,675 that related to prior periods but had not been recorded. Accordingly, beginning fund balance as of January 1, 2025, has been restated to correct the error. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Brookshire Grocery Arena Fund's ability to continue as a going concern for twelve months after the date the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Arena's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Arena's ability to continue as a going concern for a reasonable period of time.

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

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and budgetary comparison information on pages 4-5 and 11-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arena's basic financial statements. The information required in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3) on page 13 is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic 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 August 4, 2026, on our consideration of the Arena's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the Arena's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
August 4, 2026

We offer readers of the Brookshire Grocery Arena Fund, a special revenue fund of the City of Bossier City's (Arena) financial statements, this narrative overview and analysis of the financial activities of the Arena for the fiscal years ended December 31, 2025 and 2024.

**Overview of the Financial Statements**

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Arena's financial statements. The Arena's financial statements comprise two components: (1) fund financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Arena, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Arena is composed of a single governmental fund.

**Financial Analysis of the Arena Fund**

*Governmental Fund*

The focus of the Arena's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Arena's financing requirements. An unreserved fund balance may serve as a useful measure of the Arena's net resources available for spending at the end of the fiscal year.

The Arena reported a fund balance of $914,665, consisting of an assigned fund balance of $808,596 for facility operations and maintenance and a non-spendable fund balance of $106,069 related to prepaid items and inventory. Of the Arena's assets totaling $7,201,016, 51% is in cash. Revenues decreased by $1,060,249 in 2025 primarily due to a decrease in ancillary income, which is driven by the decrease in total events held at the Arena. Total expenditures decreased by $1,065,701 in 2025 primarily due to a decrease in operations expenditures.

| | 2025 | 2024 |
|---|---|---|
| Assets | $ 7,201,016 | $ 7,875,543 |
| Liabilities | 6,286,351 | 6,993,404 |
| Fund balance | $ 914,665 | $ 882,139 |

| | 2025 | 2024 |
|---|---|---|
| Change in fund balance: | | |
| Revenues | $ 4,396,939 | $ 5,457,188 |
| Expenditures | 4,364,413 | 5,430,114 |
| Net change in fund balance | $ 32,526 | $ 27,074 |

**Budgetary Highlights**

The budget policy of the City of Bossier City complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, *Louisiana Local Government Budget Act* (LSA-R.S. 39:1301 et seq.).

The original budget for the Arena was adopted by the City Council on November 19, 2024, there was one amendment made in 2025. The Arena experienced unfavorable budget variances in revenues and other financing sources of 3.43% primarily due to not requesting and receiving budgeted interfund transfers from the City of Bossier City of $300,000 offset by favorable operating revenue budget variances of $143,939. Total expenditures experienced favorable budget variances of $673,954 (13.38%). Budget variances are not expected to have a significant effect on future services or liquidity.

**Economic Factors and Next Year's Budgets and Rates**

Arena Management budgeted for 2026 with anticipation of more revenues and expenditures given that additional events are anticipated in 2026. Budgeted revenues for 2026 increased approximately $1,978,234. Budgeted expenses for 2026 increased by approximately $1,427,185.

**Requests for Information**

This financial report is designed to provide a general overview of the Arena's finances for all those with an interest in the Arena's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Director of Finance of the City of Bossier City, P. O. Box 5337, Bossier City, Louisiana 71171, or by calling 318-741-8525.

# FINANCIAL STATEMENTS

**BROOKSHIRE GROCERY ARENA FUND**

**A SPECIAL REVENUE FUND OF THE CITY OF BOSSIER CITY, LOUISIANA**

**BALANCE SHEET**

**DECEMBER 31, 2025**

**ASSETS**

| | | |
|---|---|---|
| Cash | $ | 3,680,378 |
| Accounts receivable | | 1,238,284 |
| Accounts receivable - naming rights | | 2,176,285 |
| Inventory | | 80,993 |
| Prepaid expenses | | 25,076 |
| Total assets | $ | 7,201,016 |

**LIABILITIES**

| | | |
|---|---|---|
| Accounts payable and accrued expenses | $ | 97,287 |
| Unearned revenue - luxury box and advertising | | 1,013,500 |
| Unearned revenue - ticket sales | | 3,021,404 |
| Unearned revenue - naming rights | | 2,154,160 |
| Total liabilities | | 6,286,351 |

**FUND BALANCE**

| | | |
|---|---|---|
| Non-spendable | | 106,069 |
| Assigned for facility operations and maintenance | | 808,596 |
| Total fund balance | | 914,665 |
| Total liabilities and fund balance | $ | 7,201,016 |

See accompanying notes to financial statements.

**BROOKSHIRE GROCERY ARENA FUND**

**A SPECIAL REVENUE FUND OF THE CITY OF BOSSIER CITY, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | |
|---|---|
| **Revenues:** | |
| Ancillary income | $ 2,090,528 |
| Advertising | 534,199 |
| Luxury box income | 951,712 |
| Direct event income | 688,199 |
| Other income | 132,301 |
| Total revenues | 4,396,939 |
| | |
| **Expenditures-culture and recreation:** | |
| Executive | 448,341 |
| Finance | 284,760 |
| Operations | 2,084,382 |
| Marketing | 289,738 |
| Box office | 110,504 |
| Facility overhead | 1,146,688 |
| Total expenditures | 4,364,413 |
| | |
| **Net change in fund balance** | 32,526 |
| | |
| **Fund balance, beginning of year:** | |
| As previously presented | 1,041,814 |
| Prior period adjustment | (159,675) |
| As restated | 882,139 |
| | |
| **Fund balance, end of year** | $ 914,665 |

See accompanying notes to financial statements.

## 1. Summary of Significant Accounting Policies

The Brookshire Grocery Arena Fund of the City of Bossier City (the Arena) is a separate accounting entity of the City of Bossier City (the City). The fund was established to account for the operations of the 14,000-seat multipurpose arena constructed by the City. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The preparation of financial statements in conformity with governmental accounting standards requires management to classify the fund balances. The non-spendable classification includes amounts that are not in spendable form or required to be maintained intact. The assigned classification includes amounts intended to be used for a specific purpose that do not meet the criteria to be classified as restricted or committed. The accounts of the Arena are reported as a Special Revenue Fund within the City's financial statements. The accompanying financial statements present only the Brookshire Grocery Arena Fund and are not intended to present fairly the financial position of the City and the results of its operations, in conformity with accounting principles generally accepted in the United States of America.

### (a) Basis of Presentation Fund Accounting

Governmental fund financial statements are provided for the Arena. The Arena consists of only one governmental fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Arena considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Rental income for luxury box suites and events and advertising income are susceptible to accrual and are recognized when earned or when the underlying transaction occurs. In addition, when advances are received on rentals of luxury box suites and advertising agreements, the advances are recorded as unearned revenue and income recognized over the term of the agreements when earned. Ancillary income consists of revenues from concessions, merchandise, and other sales. Ancillary revenue is recognized at the time of sale. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability has been incurred and has matured.

The operations of the Arena are incorporated into one special revenue fund. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through this fund.

All expenditures incurred in the operation of the Arena are accounted for in this fund, except capital assets and debt. All items of capital assets used by the Arena and bonds issued to fund the construction of the Arena are accounted for in the government-wide financial statements of the City.

Transfers are periodically received from the City to cover any revenue shortfalls. These transfers are made on an as-needed basis.

**(b) Accounts Receivable**

Accounts receivable consist of amounts due from luxury box rentals and advertisers. Accounts receivable is presented net of any allowance for credit losses. The allowance at December 31, 2025, was $-0-, as all accounts were deemed collectible.

**(c) Unearned Revenue**

Unearned revenue consists of amounts received or billed in advance for which the related services have not been provided or the underlying revenue recognition criteria have not yet been met. The Arena reports unearned revenue for advance ticket sales related to future events, luxury box and advertising agreements for which amounts are recognized over the applicable contract or service period, and naming rights revenues under the Arena's naming rights agreement. Revenues are recognized when the related event occurs, when advertising or luxury box benefits are provided, or over the term of the naming rights agreement as earned. Amounts received in advance are reported as liabilities until the applicable revenue recognition criteria are satisfied. The naming rights agreement is recorded as a receivable and deferred inflow/unearned revenue and recognized into revenue over the contractual term.

## 2. Cash

All cash deposits of the Arena are held by area financial institutions in the name of the Arena's management company. At December 31, 2025, total cash per the books was $3,680,378 and included $145 cash on hand. The total bank balance of the Arena's deposit accounts was $3,574,875. The difference between carrying amount and bank balance is due to outstanding checks and deposits in transit at December 31, 2025.

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2025, $250,000 of the $3,574,875 bank balance held in the name of the Arena's management company was insured by the Federal Deposit Insurance Corporation, and the remaining balance of deposits was covered by securities pledged by the Bank in the name of the City of Bossier.

## 3. Naming Rights

On December 9, 2020, the Arena signed an agreement with Brookshire Grocery Company for naming rights to the Arena. The agreement is for a period of ten years beginning January 1, 2021, expiring December 31, 2030. An additional renewal term of ten years is available upon the expiration of the initial term. In return for the naming rights to the Arena, Brookshire Grocery Company has agreed to pay the Arena $4,012,358, to be paid in annual installments over the life of the agreement. As of December 31, 2025, the remaining balance to be collected was $2,176,285.

## 4. Related Party Transactions

**(a) Management Fee**

The City has contracted with Legends Global (formerly ASM Global) to manage the operations of the Arena through December 31, 2030, with additional renewal periods. Management fees are approximately $200,000 annually, payable in 12 installments, adjusted annually for changes in the consumer price index. For the year ended December 31, 2025, the base fee totaled $248,047, which is included in the accompanying financial statements in facility overhead. In addition to the base fees, the City has also agreed to pay additional fees based on the performance of the operations of the Arena.

**(b) Food and Beverage**

The City has also contracted with Legends Global's catering division, Savor, to provide the food and beverage concessions and catering at the Arena. For these services, Savor receives 4% of the gross revenues collected in connection with the services they perform. For the year ended December 31, 2025, the Arena paid Savor a fee of $89,808 for their services.

**5. Prior Period Adjustment**

During the preparation of the 2025 financial statements, management identified accrued expenses totaling $159,675 that related to prior periods but had not been recorded. Accordingly, beginning fund balance as of January 1, 2025, has been restated to reflect the correction of this error. The correction decreased beginning fund balance by $159,675 from $1,041,814 to $882,139 and increased accrued expenses by the same amount. The correction had no effect on revenues, expenditures, or change in fund balance for the year ended December 31, 2025.

**6. Subsequent Events**

The Arena has evaluated events and transactions that occurred after the financial position date but before the financial statements were made available for potential recognition or disclosure in the financial statements. Such events were evaluated through August 4, 2026, the date which the financial statements were available to be issued, and management noted no subsequent events.

# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

## BROOKSHIRE GROCERY ARENA FUND

## A SPECIAL REVENUE FUND OF THE CITY OF BOSSIER CITY, LOUISIANA

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

## FOR THE YEAR ENDED DECEMBER 31, 2025

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Ancillary income | $ 2,290,420 | $ 2,290,420 | $ 2,090,528 | $ (199,892) |
| Advertising | 658,000 | 658,000 | 534,199 | (123,801) |
| Luxury box income | 740,000 | 740,000 | 951,712 | 211,712 |
| Direct event income | 665,250 | 296,580 | 688,199 | 391,619 |
| Other income | 268,000 | 268,000 | 132,301 | (135,699) |
| Total revenues | 4,621,670 | 4,253,000 | 4,396,939 | 143,939 |
| **Expenditures-culture and recreation:** | | | | |
| Executive | 385,088 | 385,088 | 448,341 | (63,253) |
| Finance | 353,059 | 353,059 | 284,760 | 68,299 |
| Operations | 1,078,973 | 1,078,973 | 2,084,382 | (1,005,409) |
| Marketing | 285,683 | 285,683 | 289,738 | (4,055) |
| Box office | 100,516 | 100,516 | 110,504 | (9,988) |
| Facility overhead | 2,835,048 | 2,835,048 | 1,146,688 | 1,688,360 |
| Total expenditures | 5,038,367 | 5,038,367 | 4,364,413 | 673,954 |
| **Other financing sources:** | | | | |
| Transfers in | 300,000 | 300,000 | - | (300,000) |
| **Net change in fund balance** | (116,697) | (485,367) | 32,526 | 517,893 |
| **Fund balance, beginning of year** | 882,139 | 882,139 | 882,139 | - |
| **Fund balance, end of year** | $ 765,442 | $ 396,772 | $ 914,665 | $ 517,893 |

**Budget and Budgetary Accounting**

The City utilizes formal budgetary integration as a management control device for the Arena. The City adopted a budget for the Arena using the following procedures:

(1) Prior to October 15, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the means of financing them.

(2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.

(3) Prior to December 15, the budget is legally enacted through passage of an ordinance.

(4) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department and by principal object of expenditure. The City Charter provides that expenditures may not legally exceed appropriations on a departmental basis, which is the same as the fund basis for the Arena, after considering fund surpluses or deficits. The City Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The budget was amended one time in 2025.

(5) The basis of accounting applied to budgetary data presented is substantially consistent with the basis of accounting for the Arena. Appropriations that are not expended lapse at year-end, except appropriations for capital improvements, which do not lapse until the purpose of the appropriation has been accomplished or abandoned.

**SUPPLEMENTARY INFORMATION**

**BROOKSHIRE GROCERY ARENA FUND**

**A SPECIAL REVENUE FUND OF THE CITY OF BOSSIER CITY, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO ELECTED OFFICIALS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**(UNAUDITED)**

There is no applicable compensation, benefits, or other payments for the year ended December 31, 2025.

# OTHER REPORTS

REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

The Honorable Members of the City Council and the
Honorable Thomas H. Chandler, Mayor
City of Bossier City, Louisiana

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Brookshire Grocery Arena Fund, a special revenue fund of the City of Bossier City, Louisiana, (the Arena) as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the Arena's basic financial statements and have issued our report thereon dated August 4, 2026.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Arena's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Arena's internal control. Accordingly, we do not express an opinion on the effectiveness of the Arena'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 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 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. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2025-01, that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Arena's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Response to Findings**

The Brookshire Grocery Arena Fund's response to the findings identified in our audit are described in the accompanying management's corrective action plan for current year findings. The Arena'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 Arena'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
August 4, 2026

## BROOKSHIRE GROCERY ARENA FUND

## A SPECIAL REVENUE FUND OF THE CITY OF BOSSIER CITY, LOUISIANA

## SCHEDULE OF AUDIT FINDINGS

## FOR THE YEAR ENDED DECEMBER 31, 2025

### A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Brookshire Grocery Arena Fund.
2. One (1) material weakness relating to the audit of the basic financial statements is reported.
3. No instances of noncompliance relating to the basic financial statements of the Brookshire Grocery Arena Fund were disclosed during the audit.
4. The Brookshire Grocery Arena Fund was not subject to a Federal Single Audit for the year ended December 31, 2025.

### B. Findings – Financial Statement Audit

**2025-01: Material Weakness in Internal Control over Financial Reporting – Year-End Close Process**

**Condition:** During the audit, several audit adjustments were identified, including an adjustment to year-end inventory in excess of $250,000. The adjustments indicated that the Arena Fund's month-end and year-end close procedures did not consistently ensure that the financial statements were reconciled to supporting schedules and reviewed before being provided for audit.

**Criteria:** Management is responsible for designing, implementing, and maintaining internal control over financial reporting sufficient to prepare financial statements that are free from material misstatement, including controls over account reconciliations, supporting schedules, and supervisory review of the close process.

**Cause:** Formal month-end and year-end close procedures had not been fully developed and implemented, and a documented review process was not consistently applied to ensure financial statement balances agreed to supporting schedules before audit.

**Effect:** There is a reasonable possibility that a material misstatement of the financial statements could occur and not be prevented, or detected and corrected, on a timely basis.

**Recommendation:** We recommend that management develop formal month-end and year-end close procedures, including reconciliation of financial statement accounts to supporting schedules, timely investigation and resolution of differences, and supervisory review and approval of the completed close package.

**Management's Response:** See management's corrective action plan.

**SCHEDULE OF PRIOR YEAR FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

The following findings were reported for the Fund for the year ended December 31, 2024:

**2024-01: Budget Variance**

Status: Resolved

The Arena Fund had an unfavorable budget-to-actual variance of greater than 5% (>5%) in several line-item accounts for the year ended December 31, 2024. The Budget Act requires the budget to be amended when variances exceed 5% by line item or by fund for the fiscal year.

**2025-01: Material Weakness in Internal Control over Financial Reporting – Year-End Close Process**

The Arena Fund's management will develop formal month-end and year-end close procedures to ensure financial statement accounts are reconciled to supporting schedules, differences are investigated and resolved timely, and the completed close package is reviewed and approved before the financial statements are provided for audit.